Daily Report

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Meeting Criticizes U.S. Antidrug Policy in Andes

PY0604171291 Madrid EFE in Spanish 0116 GMT 6 Apr 91

[Text] Lima, 5 Apr (EFE)—According to a document that was released on 5 April at the conclusion of an international meeting on drugs, the United States must give a "clear-cut guarantee" that it will not intervene militarily in the Andean countries that produce coca. The document adds that the United States favors participation of the Andean armed forces in the antidrug fight with the argument of "alleged corruption in the police forces," especially in Peru and Bolivia, where 90 percent of the production of the world's coca, from which cocaine is produced, is concentrated.

According to the document, militarization of the antidrug fight goes hand-in-hand with "political and diplomatic pressure" by the United States that "appears to undermine the sovereignty" of the Andean countries.

U.S. Assistant Secretary for International Narcotics Matters Melvyn Levitsky offered his country's military aid to Andean countries that want it, but noted that the police forces "are better trained" to repress drug trafficking. He said this during a teleconference that opened the antidrug meeting in Lima.

The Bolivian Government has decided to use two Army battalions in the antidrug fight and has accepted the presence of 112 U.S. instructors in its country.

An agreement that is being negotiated between Peru and the United States provides for the direct involvement of the Peruvian Armed Forces in the antidrug fight, but the extent of this involvement is not yet known because the agreement annexes have not been made public. The document adds that this agreement will provoke "serious risks" for Peru due to military involvement in the drug fight within a scenario of internal war, a direct reference to the guerrilla insurgence that has been going on for 11 years in this country, and due to the possibility that the peasant coca growers "will be the victims of military operations."

An Andean Antidrug Services spokesman has stated that the U.S. Government is forcing the participation of the region's military in the antidrug fight after the euphoria of victory in the Persian Gulf conflict.

The document states that "serious charges of corruption against authorities" and "criticism of inadequate management" of the antidrug policy have led to a "very serious political crisis," and have coincided with the Bolivian Government's decision to involve the Army in the antidrug fight against very strong opposition.

Participating in the conference, which is sponsored by the Andean Commission of Legal Experts (CAJ), were 200 representatives from Bolivia, Colombia, Peru, the United States, and the EC, but the final declaration does not necessarily express the opinion of all the participants, according to the organizers.

The declaration maintains that the United States "clearly conditions" economic aid to the "prior signing of military aid agreements that none of the Andean countries have requested." "The incursion of the Andean military in such a complex field as drug trafficking envisages serious threats of corruption for the military apparatus," the document adds.

The declaration released by the CAJ states that the United States has given priority to the military aspect of the antidrug fight to the detriment of the Cartagena Declaration, the agreement that the United States, Bolivia, Colombia, and Peru signed in February 1990. After many years in which priority was given to interdiction and repression, the chiefs of state of those countries acknowledged in Cartagena the convenience of economic, financial, trade, and social actions in the antidrug fight.

Three Mercosur Treaty Annexes Published

PY0504202091 Asuncion ABC COLOR in Spanish 31 Mar 91 Economic Section pp 4, 5

["Transcript of the first three of five annexes" of the Treaty of Asuncion, creating the Common Market of the South, Mercosur]

[Text] Annex I

Trade Liberalization Program

Article 1. The parties agree to lift, by 31 December 1994, at the latest, all customs duties and other restrictions affecting their reciprocal trade.

Regarding the list of exceptions submitted by the Republic of Paraguay and the Oriental Republic of Uruguay, the deadline for their elimination will be 31 December 1995, under the terms of Article 7 of this annex.

Article 2. For the purpose of interpreting the previous article, hereafter:

a) Customs duties and any other additional charges with an equivalent effect—be they of a fiscal, monetary, monetary exchange, or any other nature—that may affect foreign trade are regarded as "customs duties." This does not include taxes and similar charges corresponding to the approximate cost of rendered services; and

b) Any measures of an administrative, financial, monetary exchange, or any other nature through which a state party prevents or hinders, through a unilateral decision, reciprocal trade are regarded as "restrictions." This does not include measures adopted in view of the situations listed in Article 50 of the 1980 Montevideo Treaty.

Article 3. As of the date on which the treaty goes into effect, the parties will implement a gradual, direct, and automatic program to reduce customs duties on the products included in the overall customs duty list classified according to the nomenclature used by the Latin American Integration Association [Aladi] based on the following chronogram:

Date/Percentage of Customs Duty Reduction

The reductions will be implemented on custom duties in force at the time of implementation of the measure. The reductions will consist of a gradual percentage reduction of the most favorable customs duties on imported products from third countries that are not Aladi members.

In case some of the parties decide to increase customs duties on imports from third countries, the established chronogram will continue to be implemented based on the customs duties in force on 1 January 1991.

Should customs duties be reduced, the corresponding reduction will automatically be applied to the newly reduced customs duties on the same date it is enforced.

For this purpose, the member countries will exchange and submit to Aladi, within 30 days of implementation of the treaty, updated copies of their customs duties, as well as those in force on 1 January 1991.

Article 4. The reductions established through partial agreements reached among the member countries within the Aladi framework will be further reduced within the framework of the current Customs Duty Reduction Program according to the following chronogram:

Date/Percentage of Customs Duty Reduction

These reductions will be implemented exclusively within the framework of the respective partial agreements and will not benefit the remaining members of the common market and will not affect the products mentioned on the respective list of exceptions.

Article 5. Without affecting the mechanisms mentioned in Articles 3 and 4, the member parties may also make further reductions through negotiations to be carried out within the framework of the agreements included in the 1980 Montevideo Treaty.

Article 6. Thus, the Customs Duty Reduction Chronogram mentioned in Articles 3 and 4 of this annex will not affect the products on the list of exceptions submitted by each and every member country with the following quantity of items on the Naladi [Aladi Nomenclature]:

Republic of Argentina: 94
Federative Republic of Brazil: 324
Republic of Paraguay: 439
Oriental Republic of Uruguay: 960

Article 7. The list of exceptions will be reduced at the end of every calendar year in keeping with the following timetable:

a) For the Argentine Republic and the Federative Republic of Brazil, the rate of reduction will be 20 percent of list items. This reduction will apply as of 31 December 1990.

b) For the Republic of Paraguay and the Oriental Republic of Uruguay, reductions will be made according to the following schedule:

10 percent on the date of enforcement of the treaty,
10 percent as of 31 December 1991,
20 percent as of 31 December 1992,
20 percent as of 31 December 1993,
20 percent as of 31 December 1994,
20 percent as of 31 December 1995.

Article 8. The list of exceptions included in Appendixes I, II, III, and IV will include the first reduction provided for in the previous article.

Article 9. The products that are withdrawn from the list of exceptions in keeping with the terms of Article 7 will automatically benefit from the preferences resulting from the Tariff Reduction Program established in Article 3 of this annex. These products will benefit from at least the minimum tariff reduction scheduled for the date on which the products are withdrawn from the list.

Article 10. The parties may impose the nontariff restrictions listed in the supplementary notes to the supplementation agreement signed by the parties within the framework of the 1980 Montevideo Treaty on the products that are included in the tariff reduction program only until 31 December 1994.

All nontariff restrictions will be lifted within the common market on 31 December 1994.

Article 11. In order to insure compliance with the tariff reduction timetable established in Articles 3 and 4, and in order to guarantee the creation of the common market, the parties will coordinate macroeconomic and sectorial policies to be adopted, beginning with the policies related to commercial flows and to structuring of the parties' production sector. Such policies are mentioned in the treaty for creation of the common market.

Article 12. The terms of this annex will not apply to partial scope agreements; economic supplementation agreements 1, 2, 13, and 14; or to the commercial and agriculture and livestock agreements signed within the framework of the 1980 Montevideo Treaty, which will be enforced exclusively on the basis of their own terms.

Annex II

Classification of Origin

Chapter I

Rules To Determine Origin

Article 1. The following products will be considered as coming from the parties:

a) Products that are entirely manufactured within the territory of any of the parties with materials coming exclusively from these countries.

b) Products included in Naladi chapters or classifications that are identified in Annex 1 of Resolution No. 78 of the Aladi Representative Committee for the sole reason that they are produced in their respective territories.

The following products will be considered as coming from the parties.

i) Mineral, vegetable, and animal products, including hunting and fishing products, that were exploited, harvested, collected, or born and bred in their territories, territorial waters, or exclusive economic zone;

ii) Ocean products caught outside their territorial waters and exclusive economic zone by ships flying the flags of the parties or rented by enterprises established in their territories; and

iii) Final products, as far as marketing is concerned, resulting from operations or processes carried out in their territories except when such processes and operations just consist of assembly; packing; repacking according to volume, unit, selection, classification, or brand; or other similar processes or operations.

c) Products manufactured with materials from other countries that go through a transformation process in the territory of one of the parties to give them a peculiar characteristic and that can be classified in the Aladi nomenclature in a different position from that of the materials, except in cases where the parties also agree on the need to comply with the requirement included in Article 2 of this annex.

Final products, as far as marketing is concerned, resulting from operations or processes carried out in the territory of the parties using only materials from other countries or when these operations consist of the assembly; packing; repacking according to volume, unit, selection, classification, or brand; or other similar operations or processes will not be considered as coming from the parties.

d) Up until 31 December 1994, products resulting from assembly carried out in the territory of the parties using materials from these and third countries when the value of the materials coming from these countries is no lower than 40 percent of the FOB [free on board] export value of the final product.

e) Products that besides being produced in the territory of the parties, comply with the specific requirements established in Annex 2 of Resolution No. 78 of the Aladi Representative Committee.

Article 2. In cases in which the requirement established in letter c) of Article 1 cannot be complied with because the transformation process does not imply a change in the nomenclature, it will be enough if the price CIF [cost, insurance, and freight] destination port or the price CIF seaport on materials from third countries does not exceed 50 percent of price FOB on exports of the merchandise in question.

On determining percentages of materials coming from third countries for the parties lacking a seacoast, the storage facilities and duty free zones granted by the parties will be considered destination ports when materials are brought by sea.

Article 3. The parties will be able to establish, after mutual agreement, specific origin requirements that will prevail in the general criteria for classification.

Article 4. In order to determine the specific origin requirements that are mentioned in Article 3, as well as to revise those already established, the parties will accept as a basis, singly or in combination, the following elements:

I. Materials and other raw materials used in production:

a) Raw materials:

i) Predominant raw material or one giving the product its basic characteristic, and

ii) Main primary materials.

b) Parts or components:

i) Part or component giving the product its basic characteristic,

ii) Main parts or components, and

iii) Percentage of parts or components in relation to total weight.

c) Other raw materials.

II. Transformation or manufacturing process used.

III. Maximum percentage of value of materials imported from third countries in relation to the total value of the product that results from the appraisal procedure agreed for each case.

Article 5. In exceptional cases, when specific requirements cannot be fulfilled because of circumstantial supply problems, availability, technical specifications, or delivery deadlines and price, in accordance with Article 4 of the treaty, materials that do not originate in the parties may be used.

When a situation such as the one specified in the previous paragraph arises, the exporting country will notify the importing party and the Common Market Group with the appropriate form. The exporting country will also attach to the report the circumstances and certificates justifying such a need.

The exporting or importing party will communicate the situation to the Common Market Group in the event that this situation is repeated in order to revise the specific requirement.

This article does not affect products that result from assembly or mounting operations and will be in effect until the Common Foreign Duty [Arancel Externo Comun] for products affected by the specific origin requirement and their materials or raw materials comes into being.

Article 6. Any party will be able to ask for a review of the origin requirements established according to Article 1. The application must include a proposal and the argument supporting it for the requirements applicable to the affected product or products.

Article 7. In order to fulfill the origin requirements, raw materials or other components that originate in the territory of any of the parties and that are included in the manufacture of a specific product by another party will be considered as originating in the territory of the latter.

Article 8. The criteria for maximum use of raw materials or other components for materials originating in any of the parties will not be considered in establishing requirements that imply an imposition of such raw materials or components when, in the opinion of the other parties, they do not fulfill adequate conditions of supply, quality, or price, or when they do not adapt to the industrial processes or technologies in use.

Article 9. In order for original goods to benefit from preferential treatment, they will have to be issued directly from the exporting to the importing country. Trade will be considered direct when:

a) The transported goods do not pass through the territory of a country that does not participate in the treaty.

b) Goods are transported by one or more than one nonparticipating country, with or without transport or temporary storage under the custody of custom officials of those countries, when:

i) The transit is justified by geographical reasons or by considerations relative to transport requirements;

ii) The materials are not intended for commerce or for use in the country in which they are deposited in transit; and

iii) During their transport and storage, the materials are not subjected to any operation other than loading or unloading or handling to keep them in good condition or to ensure their preservation.

Article 10. The following conditions will apply to implementation of this general system:

a) Products originating in the duty free zones within the territory of any of the parties will comply with the requirements provided for by this general system;

b) The word "materials" means raw materials, intermediate products, and the parts and pieces used for the production of merchandise.

Chapter II

Declaration, Certification, and Verification

Article 11. Imports originating with the parties will benefit from the mutual reduction of tariffs and restrictions if the corresponding export documents include a statement certifying that the origin requirements have been met in keeping with the terms of the previous chapter.

Article 12. The statement mentioned in the previous article will be issued by the manufacturer or by the merchandise exporter and will be certified by an official agency or by a sectorial organization that has been granted legal status and has been recognized by the government of the exporting party.

In granting legal status to sectorial organizations, parties will give preference to organizations that have nationwide jurisdiction and can delegate duties to regional or local agencies. Sectorial organizations, however, will always be directly responsible for the truthfulness of the certificates.

Within a 90-day period after the treaty takes effect, the parties will establish a coordinated system of administrative sanctions for inaccurate certificates, without precluding corresponding penal action.

Article 13. Certificates of origin issued for the purposes of this treaty will be valid for a 180-day period following the date of issue.

Article 14. Unless another form is approved by the parties, the form described in the annex to Agreement 25 of the Aladi Representative Committee will be used in all cases.

Article 15. The parties will provide Aladi with a list of government offices and sectorial organizations that have been authorized to issue the certificates referred to in the previous article and the registry and a facsimile of authorized signatures.

Article 16. If a party believes that the certificates issued by a government office or sectorial organization authorized by another party do not comply with the terms of this general system, it will report this to the other party, so this party may take the necessary measures to solve the problem.

Under no circumstance will the importing country stop the import of the products for which the certificates mentioned in the previous paragraph were issued. The importing country may request, however, additional information from the government of the exporting country and may adopt measures that it deems necessary to safeguard its fiscal interests.

Article 17. For the purpose of further control, copies of the certificates and respective documents will be kept for two years after the date of issue.

Article 18. The regulations for this general system and modifications therein will not affect merchandises shipped before the date of enforcement for such regulations.

Article 19. The regulations of this annex will not apply to partial scope agreements; economic supplementation agreements 1, 2, 13, and 14; or to the commercial and agriculture and livestock agreements signed within the framework of the 1980 Montevideo Treaty, which will be enforced solely on the basis of their own terms.

Annex III

Solution of Controversies

1. Controversies that may emerge between the parties as a result of implementation of the treaty will be resolved through direct negotiations.

If no solution is reached the parties involved will submit the controversy for consideration by the Common Market Group, which after evaluating the situation will make the pertinent recommendations within 60 days. To that effect, the Common Market Group can establish or call panels of experts or qualified groups to provide technical assessment.

If no solution is found within the Common Market Group, the controversy will be submitted to the Common Market Council for the pertinent recommendations.

2. Within 120 days of enforcement of the treaty, the Common Market Group will submit to the governments of the parties a proposal to establish a system for solving controversies that will be in effect during the transition period.

3. Before 31 December 1994, the parties will adopt a permanent system for solving common market controversies.

The Other Two Annexes

Annex IV of Mercosur [Common Market of the South], pertaining to safeguard clauses, establishes implementation of these clauses until 31 December 1994 for exceptional cases and if the import of certain products causes harm or threatens to cause serious harm to the market.

Annex V creates 10 working groups to coordinate the macroeconomic and sectorial policies of the parties. The text of the two annexes will be published in upcoming editions.

Cuba

Kurdish Incident in Bonn 'Grave Provocation'

FL0804233691 Havana Radio Rebelde Network in Spanish 2304 GMT 8 Apr 91

[Text] Raul Barzaga Navas, Cuban ambassador to Bonn, characterized today as a grave provocation the forced entry of some 10 people of Kurdish origin into our diplomatic mission last Saturday. In statements to PRENSA LATINA, Barzaga Navas stressed the aggressive nature of those individuals who jumped the front fence and attempted to get into the building. Officials and several women and children were inside.

Our first reaction was to attempt to persuade them to desist from carrying out their obscure purposes, but since no positive response was received, warning shots were fired in the air to prevent further complications to the situation, which had become dangerous by that time, said the ambassador. Barzaga Navas noted the passive behavior of the German police present, who at no time attempted to prevent the complication of the incident nor attempt to preserve the immunity of a diplomatic facility.

It was a clear violation of Cuban territory, evidently prepared and orchestrated as a provocation. In any case, to jump a 2-meter-high fence as a common burglar is a repulsive act even endangering the welfare of those carrying it out. This is why our reaction was correct in the defense of basic rights and as a protection to all, asserted Barzaga Navas.

Eyewitnesses assured PRENSA LATINA that no one was hurt by the shots, although they did not rule out the possibility of some rowdy person being injured by his own aggressiveness and by the quick way in which he jumped the fence.

Roa Kouri Rejects UN Commission Resolution

PA0504211691 Havana International Service in Spanish 0100 GMT 4 Apr 91

[Report by Pedro Martinez Perez—passages within quotation marks are recorded]

[Text] Cuban Vice Foreign Minister Raul Roa Kouri today held a news conference at the headquarters of the Anti-Imperialist Tribunal of Our America [TANA] in Havana where he referred to the UN Human Rights Commission's 47th period of sessions in Geneva, Switzerland. Leading the Cuban delegation, Raul Roa Kouri referred to U.S. attempts to attain the approval of an anti-Cuban resolution—by exerting pressure on Latin American and Third World countries, and some of its current allies in Eastern Europe.

The vice foreign minister categorically said that Cuba does not accept a single comma of the resolution which was approved due to the pressure exerted by the United States. When asked about the consequences that this might have for Cuba, he answered:

[Roa Kouri] "Look, I want to tell you that we did not accept the project imposed last year by the United States on the Human Rights Commission, either. I do not think there have been any consequences for Cuba at the international level. I do not think that our position is capricious or an irrational one. It is a reasonable position and it is based on every country's right not to be the victim of discriminatory treatment by any UN organization or country—either individually or as a group."

Later in the news conference held today in Havana, Raul Roa Kouri said:

[Roa Kouri] "We simply.... [changes thought] Since we had absolutely nothing to hide and sought an end to the false U.S. accusations at the Human Rights Commission about alleged human rights violations in our country, we decided to invite a mission in 1988.

"As a result of this.... [changes thought] In fact, the U.S. policy against Cuba in this sector has absolutely nothing to do with the exercise of those rights in our country. It is simply a vendetta against the Cuban revolution, and that is evident in this sector and in many others. For example, it is evident in the economic sector by means of the embargo or blockade decreed against our country over 30 years ago.

"Well, the situation simply.... [changes thought] The Yankee pressure—not the international pressure—against Cuba has not decreased. The pressure simply increased, instead of decreasing; but that has nothing to do with the human rights situation in Cuba. It is part of the United States' anti-Cuban, counterrevolutionary policy that has prevailed since 1959 without change. This policy does not seem about to change; and we are prepared to resist in every sector."

The EFE News Agency correspondent in Cuba asked Roa Kouri if this is the beginning of a new effort to isolate Cuba, bearing in mind that some Eastern European countries and Argentina voted against Cuba during the UN Human Rights Commission's 45th [as heard] session. This was Roa Kouri's reply:

[Roa Kouri] "I would not say that this resolution marks the beginning of a new hostile campaign against Cuba. I believe that this is simply a new step in the belligerent campaign that has been under way against Cuba for many years. We will face the campaign.... [corrects himself] the new episode in the campaign just as we have faced others in the past.

"I do not think that the fact that some countries have adopted an unfriendly attitude toward Cuba through this draft resolution will change anything. Some Latin American governments adopted positions against the Cuban revolution in the past but no one remembers those governments now. Nevertheless, the Cuban revolution is

here, strong and dedicated to continuing its struggle for socialism and its struggle against the U.S. imperialism.

"Consequently, I do not think it is important that there are countries which previously adopted a given position, and have now changed their position. That is their problem and it certainly does not affect the Cuban revolution. We will maintain the defense of our principles and our positions, even if we must leave behind those who previously said they were one thing and later proved they were another."

Raul Castro Tours Defense Projects in Santiago

FL0604020091 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 6 Apr 91

[Text] Army General Raul Castro Ruz, second secretary of the Central Committee of the Communist Party of Cuba and minister of the Revolutionary Armed Forces [FAR], has evaluated as positive the efforts of the inhabitants of Santiago de Cuba Province to prepare for the fourth party congress by boosting the food program, developing the Turquino Plan, and consolidating defense. In San Luis Municipality, the second party secretary toured the Alambre area, where he observed the good development of the (Sensa) plantain, grown with the new microjet irrigation system.

In Tercer Frente, the municipality that produces the most coffee in the country, Raul and those accompanying him saw the transformation achieved in that mountainous area in the economic, political, and social spheres with the development of the Turquino Plan. After hearing about the efforts the soldiers of the Youth Labor Army have been making here in recovering coffee plantations, he viewed roads, the construction of housing, and the extension of electric lines into the mountains. The minister of the FAR visited the hotel being completed in El Salton for the development of health tourism.

During his tour of Santiago de Cuba Province, Raul also visited defense works under construction in order to consolidate the theater of operations. He conversed at length with workers involved in this important task to safeguard the gains of the revolution and the people.

[Begin Castro recording] We would like, as is natural, to devote our resources to other things; in the first place, housing. Nothing, however—as Ho Chi Minh, Marti, and Fidel have taught us—nothing is more precious than freedom, independence, and social progress. Because just as Fidel said at the time of the Bay of Pigs, at the time of the victory at the Bay of Pigs, which will be 30 years ago this month, since the Bay of Pigs the Latin American countries have been a little more independent.

So we are doing everything possible to avoid war, but we will continue to do what we need to do in this field to prepare the theater for military operations, throughout the country. We have already spent 10 years working intensively on this, doing everything we can, however expensive it may be. All this represents what that slogan of the commander in chief says.

So we will meet here when the project is completed. We will speak again then. I want to express my greetings and my congratulations to you and also to the other comrades I have had the opportunity to talk to today. Until we meet again. [applause] [end recording]

CDR's 'Revolutionary Vigilance' To Be Restored

FL0504180091 Havana Tele Rebelde Network in Spanish 1200 GMT 5 Apr 91

[Text] A new structure, which will make possible changes in the methods and style of work, will be implemented in the Committees for the Defense of the Revolution [CDR]. The changes will begin on 15 April, except in Havana where they will start on 2 May. There will be a reduction in the number of people in leadership. The block and zone secretariats will only have three, four, or five positions. The tasks will be reduced in order to reactivate the function that has always been the most fundamental one for the CDR: revolutionary vigilance. This organization, the largest in the country, will select its leaders among the best qualified and among those who have a real possibility of carrying out the job.

Economic Situation 'Getting Worse Each Week'

FL0604142891 Bridgetown CANA in English 1404 GMT 6 Apr 91

[Text] George Town, Grand Cayman, April 6, CANA—Thirteen Cuban refugees who landed here on March 23 after escaping from their homeland in a leaky, 45-foot wooden fishing vessel say the economic situation in Cuba is getting worse each week.

"If (President Fidel Castro) and his family had to live in conditions other Cubans do, he would have left for Miami long ago," said Vincente Flores, one of seven Cuban men who made the 200-mile trip with six women.

Speaking through an interpreter, Flores painted a grim picture of life in Cuba, particularly after the Soviet Union cut back its aid to the Castro government.

"Even Russians don't want to be communist anymore," said Flores. Although he and some of the other men are skilled carpenters, Flores said there is no incentive to work hard. "Unless you are a party member, everyone gets the same amount of pay. And you can't do any private jobs or you'll get arrested," he complained. Everything is rationed these days, including milk, eggs and beer, said Flores. "The beer kegs arrive first in the afternoon. That way, the people get drunk first so they don't think about the other things," he said, not jokingly.

"Milk usually doesn't come out until 3 pm and you are allowed three eggs every two weeks. Often, we are living on bread and milk for several days at a time," he said. "We are always not getting enough to eat." Gasoline for

cars is also rationed, he said, but he did not know how much as he did not own a vehicle in Cuba.

But, said Victor Herrera, another of the refugees, "If you are a member of the communist party or other government-sponsored organisations, then you are entitled to special privileges. If you are a party official with a car, gasoline is not rationed." "Membership in a party organisation is a must if you have to buy something like a bicycle or repair parts for a bicycle," he said. And the list of things illegal to do—for ordinary citizens—gets longer every day, said Flores.

"It is illegal to even joke about leaving Cuba," he said, "and everybody is supposed to inform on each other to the authorities." Once, when he remarked about a "trip" to a friend, he was reported and ended up spending three months in jail and lost his job for six months, he said.

It is also illegal to listen to foreign radio or television broadcasts, but people do it all the time, said Flores. "It is how we learn the truth about what is going on in the world," he explained.

Fishermen are not allowed to go fishing alone, but only in groups which have party "members" in them, he added. That, he said, is supposed to prevent people from escaping to friendly countries.

"It is very bad now in Cuba. The common people have nothing and everything is rationed," concluded Flores.

The 13 Cubans are being housed in private homes while Cayman immigration authorities seek U.S. approval to transfer them to Miami. The Cubans are seeking admission to the U.S. as "economic refugees", according to immigration authorities here.

Friendship Institute Chief Notes Solidarity

PA0504203291 Havana International Service in Spanish 0100 GMT 4 Apr 91

[Telephone interview with Sergio Corrieri, president of the Cuban Friendship With the Peoples Institute, from Montevideo, Uruguay, by Julio Dominguez in Havana—live]

[Text] [Dominguez] I would like you to tell us the reasons for your trip to Latin America, and, specifically, what are you doing in Montevideo?

[Corrieri] This trip has many objectives. It began in Brazil with a meeting in Porto Alegre of 14 Cuban friendship societies or associations. They discussed their experiences and projects for the year ahead. Together with this activity, which was the most important one, we made many contacts with Brazilian authorities. We met with the state governor and the town's mayor. We even had a public debate at a theater on the current situation in Cuba. Approximately 400 persons attended. We were also on radio and television. I think we had a very beneficial program. In Sao Paulo, we founded the Cuba-Brazil Friendship Association, presided over by the brilliant Brazilian intellectual (Jean Franscesco Guanieri), who is also well known in Latin America and all over. Considering Sao Paulo's great political and economic importance, this society must play a very important role.

We have also held meetings with the Coordinating Board of Solidarity With Cuba and with all the parties and the political forces that comprise the Broad Front. We had meetings with Uruguayan theater people and intellectuals. Last night at El Galpon Theater, a large hall seating 700 persons, we held an open forum on Cuba, consisting of questions and answers and a debate that was very successful and well received.

We are about to depart for Argentina. Our work plan is to meet with the Institute of Friendship With Cuba. From there, we will leave for Caracas. Next weekend, we will have a meeting of the 14 friendship institutes that exist in Venezuela. We will meet Saturday and Sunday to analyze the work done and projects for the year to come. We will also have forums on Cuba and grant television interviews. This is turning out to be an intense and productive trip regarding the aspects of informing people about Cuba and developing solidarity and friendship with those peoples.

[Dominguez] I wanted to talk to you about the topic of solidarity. Have you really found solidarity with Cuba?

[Corrieri] A great deal of it. Lots of it. I would say that Cuba's position, its conduct throughout the Persian Gulf crisis, its stances at the UN Security Council, and its steadfastness and determination to defend our independence and socialism generates a growing sentiment of admiration and respect toward Cuba among groups of a vast ideological range.

Last Internationalists Return From Congo

FL0604130591 Havana Tele Rebelde Network in Spanish 1200 GMT 6 Apr 91

[Text] The fourth and last group of combatants that collaborated in the People's Republic of the Congo arrived with the combat banner of the special tactical group in Pointe-Noire, Congo. For 14 years, thousands of Cubans have modestly fulfilled their internationalist duty in that African nation.

They were greeted at the Guajay airport by Division General Sixto Batista Santana, alternate member of the Politburo, and other chiefs and officers of the FAR [Revolutionary Armed Forces] and the Minint [Interior Ministry].

During the welcoming ceremony, Francisco Duran, member of the secretariat of the national CTC [Cuban Workers Federation], referred to the mark left by these men in the fulfillment of their duty. He gave as an example the school built by them in Pointe-Noire. Now, he added, they will have the opportunity of working in the programs the country is carrying out such as the food, tourism, and construction programs.

Anguilla

Government, Opposition Oppose British Intervention

FL0804125391 Bridgetown CANA in English 2100 GMT 6 Apr 91

[Text] The Valley, Anguilla, April 6, CANA—Anguilla chief minister Emile Gumbs, joining other representatives of British Caribbean colonies, has criticised Britain's move to abolish capital punishment in its territories in the region.

"In Anguilla, unlike large communities, the death penalty is a deterrent, and if it was ever carried out here, it would be a very traumatic experience and would certainly be a strong deterrent to anyone contemplating murder," Gumbs said.

British Foreign Secretary Douglas Hurd told the House of Commons a week ago that Britain would abolish the death penalty for murder in Anguilla, the British Virgin Islands, the Cayman Islands, Montserrat, and the Turks and Caicos Islands, and replace it with life imprisonment.

British Virgin Islands chief Minister Lavity Stoutt despatched a letter to Hurd "protesting the decision in the strongest possible terms and requesting that the matter be reviewed."

Gumbs backed Stoutt's position and said it should be left to the territories concerned to decide if they are to do away with the death penalty. The sentence was never carried out in Anguilla but there has been public outcry for its application on occasions when murders have been committed. But three years ago, when an Anguillan was sentenced to death for the murder of a Nevisian here, a comitttee was formed against the sentence being carried out and it was eventually commuted to life imprisonment. Three weeks ago a Grenadian sentenced to death here for murder of a fellow countryman had the sentence commuted to life imprisonment.

Asked if he was aware of the move towards abolition before the British announcement, Gumbs said that there was no real consultation, but he knew it was going to be done. He said protesting to the British Government in the strongest terms regarding the death penalty would be futile because he was convinced the government is going ahead with the decision.

Opposition members of the House of Assembly issued a statement through leader of the opposition in the House, Hubert Hughes, saying they were very concerned about the "high-handed" manner of the British Government in this case. They said the British had no real interest in the resolution of law and order problems in Anguilla and other Caribbean territories, and that they strongly opposed what they called the autocratic abolition of the death penalty without the involvement of the peoples of the territories and the people's elected representatives. The opposition members said leaders of the territories should get together to protest the issue as a united body.

Antigua and Barbuda

Committee Established To Review Ruling ALP

FL0804231591 Bridgetown CANA in English 2218 GMT 8 Apr 91

[Text] St. John's, Antigua, April 8, CANA—Health and Labour Minister Adolphus Freeland was appointed Monday to head a five-member committee which will consider proposals for the restructuring of the divided Antigua Labour Party (ALP), it was announced. Freeland team's includes newly appointed Finance Minister Molwyn Joseph, Senator Llewelyn Smith, constitutional expert Rupert Lake, and Edward Dowdie, an executive member of the ruling party which has been plagued by internal bickering in recent years. The committee will examine the leadership structure of the ALP, the annual election of officers, and a revision of the Constitution. It is expected to submit its first report by April 19.

Dominica

Parliament Approves 2.6-Million French Franc Loan

FL0804195091 Bridgetown CANA in English 1930 GMT 8 Apr 91

[Text] Roseau, Dominica, April 8, CANA—The Dominica Government on Monday won parliamentary approval for a loan of 2.6 million French francs for infrastructural development. Government parliamentarians explained that the money—from the French institution Caisse Centrale for Cooperation Economique—is for a water development project in the Soufriere/Scotshead area. The project, the government said, would not only benefit about 2,000 residents of the area, but would fit into the administration's plans for tourism infrastructure development.

The policies of the Eugenia Charles government came under attack during debate of the resolution, with Dominica Labour Party (DLP) leader Michael Douglas accusing the administration of giving priority to tourism development at the expense of developing local communities for the people of Dominica.

"Government priorities are back to front.... the sooner the government gets out of power the better" declared Douglas in reference to a motion of no confidence on the order paper in the name of opposition leader Edison James. The motion against the government, which has a one-seat parliamentary majority, is expected to come up over the next day or two. While not opposing the loan resolution, the two-party opposition here contended that the Soufriere/Scotshead area was being favoured because it is a stronghold of the ruling Dominica Freedom Party.

Prime Minister Charles told the House that apart from its social impact the project would result in tangible economic development in the area of tourism, with a hotel and health spa facility to be set up there. Underwater tourism in the Soufriere area was also being developed, she said.

But Douglas argued that tourists are being given priority over nationals. "[The] government seems to be placing a higher priority on the comforts for foreigners who will be here for eight days.... or two weeks, above the comforts and the lifestyles, and the basic human needs of the Dominican people," Douglas later told the CARIBBEAN NEWS AGENCY. A businessman involved in tourism himself, Douglas says he fully supports development of the sector, but not at the expense of the poor people of the country. Tourism Minister Charles Maynard dismissed the DLP leader's comments as a non-issue, and said the government remained committed to the development of the people of this country, and saw potential in the further development of tourism to enhance this.

Haiti

Aristide Seeks Legal Means of Helping Trouillot

FL0804173791 Port-au-Prince Radio Haiti-Inter in Creole 2100 GMT 5 Apr 91

[Statement by President Jean-Bertrand Aristide; place and date not given—recorded]

[Text] When I heard the news [of Mrs. Trouillot's arrest], I felt pain because whenever someone is suffering, it touches my heart. I must acknowledge, however, that the Justice Department is doing its job, and I must therefore view the case with my heart and my mind—with my heart feeling compassion and my mind full of reason. My reasoning is that as head of state, I must respect the judicial machine just as I must respect the legislative body, therefore observing how the judicial machine does its work, based on documents acquired during the investigation of the attempted coup of 6-7 January and money which has disappeared. In view of these opposing factors, I personally have mixed feelings of hurt and respect—human hurt and respect for the law.

Yesterday afternoon, I sat with the ministers to decide how we could help alleviate the shared pain of Mrs. Trouillot's situation, just as we would try to help anyone in a similar condition, while still respecting the law. The prime minister and I, together with legal advisers, lawyers, searched together throughout the night. In the course of our research, we decided that if the judicial machine does not find it a contravention of the law to grant bail to Mrs. Trouillot where she is under house arrest, it would be a great joy to us, the executive branch of government. This we ask humbly and with due respect.

I personally feel that if I could have done it earlier, I would have, and if it happens now, I will be very happy. I am pleased that the Justice Department, which I congratulate, takes its responsibilities seriously and leaves no stone unturned under the law. This is what we call democracy. When in the United States there were problems related to Watergate and President Nixon, the law had to run its course. Likewise here, in our efforts to establish democracy, we are doing everything possible to respect justice. We express compassion while respecting the rules of democracy, which are inextricably linked with the laws of justice.

If this is possible, I can either send a note to Mrs. Trouillot expressing these thoughts or pay her a visit to show that we are as sensitive to respecting the law as we are respectful of a human being. I would say the same to all people who have worked in government and have state responsibilities. If the results of the investigation indicate that further investigation is required to clear up the matter, it will indicate that a society of rights is progressively being built without losing respect for human beings or respect for the law which must govern a country.

Justice Minister Vincent Gives Department Update

FL0604014491 Port-au-Prince Radio Nationale in French 1800 GMT 5 Apr 91

[Italicized portions in Creole]

[Excerpts] The inquiry continues against those involved in the plot against [words indistinct], said Justice Minister Bayard Vincent, who pointed out that many measures have already been taken to arrest the former interior minister in the Henry Namphy government, former General Williams Regala. Bayard Vincent discussed various matters concerning justice. Let us listen to Louis Seize Frantz' report.

[Begin Frantz recording] *Isidore Pognon and Antony Virginie Saint-Pierre were not the only accomplices in the plot to overthrow the government, asserted the justice minister, lawyer Bayard Vincent, who added that other names are emerging and that the Justice Department will enforce the law. The minister claimed that former Mayor Franck Romain and Colonel Joseph Dominique Baguidy participated in meetings held in the Haitian Embassy in the Dominican Republic to plot the overthrow of the government.* [passage omitted]

Regarding the separation of the police and the Army, as provided by the 1987 Constitution, the justice minister admitted that this separation is not easy to carry out because the law must be elaborated and a budget must be developed. [passage omitted]

The minister advised that there are some who will not be able to avoid arrest once the dossiers of the 29 November 1987 massacre are opened. [passage omitted].

That was the justice minister, Bayard Vincent, speaking about judicial matters and how things are going in the Justice Department today. [end recording]

IDB Approves Social, Economic Assistance Loan

FL0604011291 Port-au-Prince Radio Metropole in French 1700 GMT 4 Apr 91

[Text] The Inter-American Development Bank [IDB] has approved a loan to Haiti of $12.400 million [as heard] for the financing of a social and economic assistance program through a specialized fund.

This project, the total cost of which equals $23.935 million [as heard], aims at supporting the establishment of the Economic and Social Fund [FHAES], an autonomous Haitian Government agency, as a mechanism to channel grants and resources for the basic needs of the most deprived sectors of the Haitian population. This project also aims at improving sanitary, nutrition, and educational services, as well as promoting employment and income for deprived people.

The terms of this loan of $12.400 million from the IDB to Haiti are: a redemption date in 40 years, a grace period of 10 years, and interest at the rate of 1 percent during the first 10 years, and 2 percent thereafter.

St. Vincent and the Grenadines

Agreement Signed With EC Under Lome 4 Convention

FL0604162591 Bridgetown CANA in English 1450 GMT 6 Apr 91

[Text] Kingstown, St. Vincent, April 6, CANA—The St. Vincent and the Grenadines Government on Friday signed a 24 million East Caribbean dollar agreement with the European Community under the Fourth Lome Convention national indicative programme. The agreement, covering the period 1990-1994, provides for four million dollars (one East Caribbean dollar equals 37 U.S. cents) in grants and 20 million in risk capital to be managed by the European Investment Bank.

Prime Minister James Mitchell signed on behalf of the St. Vincent Government while Peter Pooley, deputy director general for development with the EC, signed for the Community.

According to a joint press statement issued following the signing, the funds will be used in rural development and social infrastructure. They will advance government's land reform programme, now in its second phase, with emphasis on the allocation of lands on two estates to small farmers.

"This could take the form of technical assistance, the provision of inputs, the development of livestock production and improvement of communication and access to settlement areas including highway improvement," according to the statement.

Additionaly, funds will go towards the third phase of a hospital redevelopment project, development of secondary education in the island of Bequia, environmental protection and tourism information and promotion.

The European Community, under previous lome agreements, has provided more than 150 million EC dollars in financial and technical assistance to St Vincent and the Grenadines. Lome Four is a trade and aid pact between the European Community and African, Caribbean and Pacific states.

El Salvador

FMLN Guerrillas Attack Quezaltepeque, Jucuaran

PA0904024091 Paris AFP in Spanish 0032 GMT 9 Apr 91

[Text] San Salvador, 8 Apr (AFP)—A military spokesman has reported that Farabundo Marti National Liberation Front [FMLN] guerrillas today attacked the city of Quezaltepeque, 25 km north of San Salvador. The guerrillas continued clashes with police in the afternoon.

The spokesman said incidents began at 1600 (2200 GMT) when rebels attacked Quezaltepeque, a city of 39,000 inhabitants located in La Libertad Department. He added that the guerrillas had taken up positions only two blocks from the police garrison.

A rescue squad representative reported one person was wounded during the attack and said that it was impossible to enter the city due to the intensity of the fighting, which was still going on one hour after it began.

Telephone and telegraph communications were interrupted between Quezaltepeque and the rest of the country.

Days ago the guerrillas had warned the Army that the FMLN would "respond at key points" if the Army entered rebel-occupied territories.

According to military sources, the guerrillas also killed 10 and wounded six Salvadoran Army troops today during "heavy fighting" outside Jucuaran, 150 km southeast of San Salvador.

Powell's Visit Seen as Possible Trigger to Peace

PA0804145991 Mexico City NOTIMEX in Spanish 2148 GMT 6 Apr 91

[Excerpt] San Salvador, 6 Apr (NOTIMEX)—Within the framework of what is considered as the most serious negotiating effort undertaken by the Salvadoran Government and the rebels, U.S. General Colin L. Powell, chairman of the Joint Chiefs of Staff, will arrive here on 8 April.

Although the high-ranking military officer also will visit Panama and Honduras, the news of his trip to El Salvador has generated an abundance of speculation. Powell's trip takes place precisely when expectations of achieving peace through political negotiations are running high.

Political analysts consulted by NOTIMEX said that Powell's presence—as representative of the Salvadoran Army's major supplier—will be a means of pressuring the Armed Forces into accepting negotiations with the rebels.

According to the analysts, Powell will reiterate the Pentagon's support for the UN-sponsored peace process while he attempts to avoid obstacles placed by radical sectors opposed to the negotiating process. [passage omitted]

Guatemala

President Serrano Announces Peace Initiative

PA0904005791 Guatemala City Domestic Service in Spanish 1900 GMT 8 Apr 91

[News conference by President Jorge Serrano with foreign and local reporters and unidentified moderator in Guatemala City—live]

[Text] [Moderator] The constitutional president of the Republic, Jorge Serrano Elias, will make an important announcement. He is accompanied by, to his left, Gonzalo Asturias Montenegro, the Presidency's public relations secretary; the vice president; ministers; deputy ministers; and top government officials. The president will first announce the initiative for the nation's total peace.

[Serrano] Dear Guatemalan people, Mr. Vice President, Messrs. Ministers, dear friends of the media:

I want to begin by thanking God, who has allowed us to reach this moment, which I hope will be a milestone in the history of my country. This is the moment when our government of unity has decided to make a clear and categorical proposal. Taking into consideration the dearest, noblest, and greatest hopes the Guatemalan people have for peace, we feel that peace is precisely the basic link by which all Guatemalans can enter the 21st century enthusiastically. We feel it is the right time to prepare ourselves to build a modern society that will serve as a framework for our children to develop with equality, dignity, and lawfulness.

During our political campaign we made several promises. They included a promise to work very hard to reduce the cost of living. We have had success in that. We have been able to curb the spiraling inflation that was afflicting the country and burdening Guatemalans.

We offered to establish a popular credit mechanism. In barely 60 days of government, we have already established that mechanism. We hope it will soon render its fruits.

As a government of national unity, we offered to promote a social pact with the participation of all sectors so that they could all iron out their differences in a civilized manner, without having to resort to the violence that has stained our nation with blood and saddened our people. Thank God, this pact has begun to work.

It has been our great concern to fight crime and create legal mechanisms that will allow us to consolidate the de jure system. We also offered to present—and we are now presenting it—a peace initiative. Guatemalans want death no longer.

I was saying in private circles that I cannot get used to this. My heart continues to strongly reject hearing: five were killed today or three were killed today; or four were ambushed; or four, five, or 10 were riddled with bullets today. I do not want that to happen in our country anymore. We sincerely hope with all our heart that this will completely disappear from Guatemalan soil. We hope that each Guatemalan can walk in our country without any fear, enjoying all the beauties and resources God has given us. I do not want to see any more children crying for their fathers. I do not want to see any more women crying for their husbands. We do not want this struggle, which has lasted more than 30 years, to continue to deprive us from education, development, and the possibilities of modernizing our country. This must end.

The resources we have to spend to defend our liberties should be spent on education, health, and on the solution to all the problems we have. It is our obligation to do so.

I want to tell you that making this proposal was not easy. It has been very hard because we have had to foster a comprehensive understanding of positions. We no longer want to divert our resources to rebuilding the infrastructure only to have the subversives destroy it. We want to dedicate all our efforts to peace and that is why today, with all the responsibilities this implies, I come before my people first and before my beloved nation to make a concrete proposal so that we, once and for all, can solve this problem of struggle and confrontation that we have had.

I could paraphrase Franklin Delano Roosevelt when he said: For all I have seen, for all the pain I have felt, I hate war. I want to tell you that there is a similar feeling in my heart. I do not want that for my country anymore. That is why we have made this great effort that has led the government to propose what we call the Initiative for Total Peace in the Nation.

I will now read this initiative so that all the people of Guatemala and the entire international community can learn more as to the exact scope of our proposal.

Initiative for Total Peace in the Nation: Jorge Serrano Elias, constitutional president of the Republic.

By constitutional order, the government of the Republic has the duty to establish the conditions to guarantee life, liberty, justice, security, peace, and the person's integral development for all Guatemalans without discrimination. Within this context, the government will continue efforts to search for peace within the spirit of the Esquipulas agreement and in accordance with other agreements containing terms that the government has recognized and fully respects.

The government shall also comply with the final resolutions of the meetings held in El Escorial, Ottawa, Quito, Metepec, and (Atuisco) in which the country's various social sectors, including the rebels, revealed the national consensus regarding the need to find a political solution to the armed struggle and to, at the same time, promote actions, within a legal frame, which may lead to the perfecting of Guatemalan democracy.

In conclusion, the country's democratization process has opened up opportunities for the free political participation of all the sectors without any limitations. Thus, the use of violence as a means of influencing state decisions is now unjustified.

Contents of Peace

We aspire to total and definitive peace, not only involving a simple cease-fire, but a peace that will also lay the groundwork for reconciliation and the peaceful coexistence of the Guatemalan family based on the following basic proposals:

1. End of the armed struggle. It is necessary to end the armed struggle that has taken place in the country for over 30 years, bringing poverty, death, orphans, widows, pain, suffering, and insecurity to all sectors of Guatemalan society. To attain this goal, the rebel activity must come to an end through serious negotiations that may lead to drafting schedules, programs, and procedures that may allow for and guarantee the dismantling of the rebel fronts and mechanisms and, as a consequence, the suppression of the counter-guerrilla operations.

At the same time we shall bolster the conditions that may allow all Guatemalans—specifically those nationals who have been involved in the subversive activities—to enjoy all the rights granted in the Republic's political Constitution, and we will guarantee the necessary security for all the villages that were uprooted by violence so that they can rejoin the social and political life within a legal framework.

2. Greater economic and social equality. We recognize the need to expand and reinforce the programs that the government is implementing to overcome the extreme poverty in which vast sectors of our population live; prop up the modernization of our economy; and solve urgent communication, education, health, and welfare problems. With an end to the armed struggle, the government can devote more resources to eliminating serious imbalances prevailing in the country; these imbalances are the source of dangerous social tensions. These problems must be solved. It is a demand based on the economic and social rights of all human beings, a condition to build a democracy and a guarantee to preserve peace. There can be no total peace without social peace and for it to exist, the state must strengthen the social welfare structure.

3. Respect for and strengthening of the legal system. The legal system demands that all citizens in the country abide by the law. The state must strengthen the justice system to promote higher levels of security for the people and their property and to promote the respect for human rights. Total peace can be perpetuated and consolidated only if there is a true legal system and one in which the law is fully and equally applied.

4. Consolidation of the democratic process. We must increase our actions to perfect this process in spite of the undeniable progress made in the establishment of democracy as a political system and a form of social coexistence. This can be done by improving democratic institutions and promoting the people's free, conscientious, and organized participation in the constant decision-making process through the decentralization of the administration, the strengthening of local governments, and the valorization of Mayan cultures.

Procedures to attain peace:

1. Definition of the terms for a total peace agreement. Within the spirit and the letter of the Oslo agreement, we propose to hold meetings as soon as possible, on 20 April at the latest. These meetings will be held to define and spell out solutions that will lead to the the drafting of total peace agreements. To make these meetings a success, at this stage, we would require a climate of privacy and discretion to guarantee mature, serious, and flexible discussions. These discussions should not be subjected to pressures from any sector or be the cause of public confrontations, which are foreign to national interests and can affect the goodwill of those participating in the peace process. By common agreement, however, the public will be kept informed of the progress that is being made.

For these meetings, the government is counting on the invaluable good offices of the National Reconcilication Commission headed by Msgr. Rodolfo Quezada Toruno and the valuable presence of Francesc Vendrell, the observer appointed by the UN secretary general.

2. Meeting for the signing of the total peace agreements. At the satisfactory conclusion of the negotiating process that will lead to the drafting of the final total agreements, the said agreements will be signed in Oslo, in response to a kind invitation from the Norwegian Government, or anywhere else mutually agreed upon. As president of the Republic, I want to stress that it is my desire to attend such an event.

Guatemala, 8 April 1991

As you, my dear fellow citizens and gentlemen of the press can see, this peace initiative we are proposing today not only includes the substance of what we are proposing but the procedure to reach a final agreement. We do not want (?to delay) this any longer. We feel that our people are demanding peace. All Guatemalans are committed to peace. I would like all Guatemalans listening to me right now to understand that we all share a responsibility toward our country and our children. Peace will not be built by the government. Peace will be built by all Guatemalans together. This peace belongs to no one in particular. It belongs to all the Guatemalan people.

Therefore, I, as president of the Republic, invite all Guatemalans to commit themselves to peace. Let us unite in a fraternal hug and let us work, regardless of our beliefs or political affiliations. Let us unite in a national unity for peace.

I want to clearly and categorically tell all my dear Guatemalan people that Jorge Serrano Elias is committed to peace. I am committed to peace. My government, a government of unity, is committed to peace. We hope all the other sectors in the country will speak up so that Guatemala, in a single voice, will announce that we are not a savage nation, that we do not like violence, that we want peace, that we want to live in peace, and that we will bequeath peace to our children. This is a clear and categorical decision. It is a decision in the hearts of all Guatemalans and this is what we have expressed in this document today.

This document, which shows a tremendous flexibility in our positions when compared with those of the past, is a victory for all Guatemalans. It is something the Guatemalan people won at the polls. It is something the Guatemalan people will reaffirm with their demand for peace.

I ask my dear Guatemalan brothers to rise up and demand peace. Today is a memorable day in the history of our country. In a dignified act, 71 years ago today the Congress of the Republic declared dictator Manuel Estrada Cabrera, who was in power for 22 years, incapable of governing.

Today we will take another historic step by saying that we are willing to seek peace. Let us say that we will seek peace and to accept the challenge of creating a modern society for our children—a society of which no one will be ashamed.

As I told some people this morning, I do not wish to return to international forums to defend Guatemala. I want to return to international forums to rescue the dignity of my people. I wish to rescue the dignity of our government, and I want to place the name of our fatherland among the members of the international community.

Guatemalans, let us unite. Peace is near, and we will attain it with the help of God. May God bless you and thank you very much.

I will give you some time so that you may ask questions.

[Unidentified reporter] [Words indistinct] constitutional rights, guarantees for the subversives. Can there be an amnesty for them specifically?

[Serrano] We have worked on this issue, which is an issue of culpability. Obviously, before initiating the peace process, Guatemalans should be particularly concerned about reconciliation. Part of peace is culpability and amnesty, otherwise negative consequences will result. I believe much progress has been made during the talks with the rebels.

[Unidentified reporter] Mr. President, even though the secrecy of this peace process is specified in one of the initial points, and even though you have been saying for the past two months that peace is near, what is delaying peace, something that has been discussed for over 30 years?

[Serrano] On our part, there is absolutely nothing. My government's peace initiative has been consistent since the day I delivered my inaugural speech. We have maintained a systematically firm attitude. We are making it clear to all Guatemalans that we are ready and, just as it has been established in our peace initiative, we would like to initiate a breakthrough meeting to achieve total peace before 20 April.

[Unidentified reporter] [Question indistinct]?

[Serrano] On our part nothing. It is simply a matter if the rebels will be willing to accept the proposal. I said many days ago that I was ready to negotiate. That was a month ago and I am still saying the same thing. I am ready to negotiate now. I believe that if they accept this proposal—and I do not see how they can reject it because it is compatible with their public statements—we are ready to initiate this process.

[Reporter] Mr. President, I am (Juan Audecia) from REUTER. If you allow me, I would like to make two questions. First, I understand the URNG [Guatemalan National Revolutionary Unity], through the National Reconciliation Commission, made a proposal to your government consisting of four or five points. In principle, you have said that you believe that there are no major obstacles to an agreement on these four or six points [as heard]. I would like to know if this is indeed the case. Secondly, could you list the names of the members of the government delegation who will represent you in the talks with the URNG? Thank you.

[Serrano] First of all, we have not received any proposals from the URNG. A few weeks ago, we were told that they would present a document which was to include these points, however, no such document arrived. We did receive a document of a different content. That is why we hope they will present such a document. Because they have not yet done so, we reiterate clearly and categorically that we do believe we can reach an agreement, if there they are willing. We are willing to reach an agreement and we have the political determination to do it. There is absolute support from my government. There is unity in all sectors of the executive branch, including the Army. We know exactly what we want, where we are going, and we are willing to open immediate discussion on any agenda. We are willing and able to discuss all points that may be brought to the table. We are willing to initiate the peace process now, so that there can be peace in the country as soon as possible. As for the second question concerning the makeup of the delegation, I wish to state that the delegation is yet to be formed. We already have a team, several teams, rather, that are ready and willing to face the responsibility of peace negotiations. We are also prepared for the responsibility of dealing with a return of all rebels to normal life. After 30 years of war, our country must be prepared to implement the peace process.

[Unidentified reporter] Mr. President, your government [words indistinct].

[Serrano] The military aspects of the states are duly regulated by the Constitution. We recognize that any peace agreement should be in accordance with the law. This is a fact already accepted by the guerrillas in the El Escorial agreements. We are clearly and totally disposed to discuss the counterinsurgency mechanisms and procedures. If we are to consider what [word indistinct] should serve in the insurgency actions and [word indistinct] we can definitely then change the [words indistinct] procedures.

[Unidentified reporter] [Words indistinct] total peace agreements, how will the URNG be officially informed? When will this truly take on the speed the case requires.

[Serrano] We already sent a message to the URNG through Msgr. Rodolfo Quezada Toruno, the head of the Reconciliation Commission, about our disposition and our stand regarding the agreements and negotiations. Consequently, the URNG knows about our position. They know about it from the day I took office. Thus, we will tell Msgr. Quezada, the Reconciliation Commission, and the United Nations about our initiative for total peace so that they will know about the position, opening, and flexibility that the government has with regard to the negotiations. We feel that prior to any communique to any international organization or the guerrillas, we first had to tell the Guatemalan people who entrusted us with ruling this country.

[Unidentified reporter] How has the National Reconciliation Commission received the news of this presidential initiative for peace?

[Serrano] I imagine it will have a good reaction. The National Reconciliation Commission has been able to determine the sincerity, firmness, and flexibility the government has exhibited. We are taking this very seriously. You can see that we have never allowed ourselves to be manipulative. Many things have been hypothesized, but we have maintained a consistent position.

When I was a candidate, I did not want to take advantage by participating in the Oslo agreements or participating in a meeting with the guerrillas just to put on a show. We have maintained seriousness in the negotiations. We have told the Guatemalan people what we have truly done. We have never interrupted the dialogue with the guerrillas, however, this dialogue was conducted through the National Reconciliation Commission. Through the commission we have informed the guerrillas about our points of view. It has been Msgr. Quezada Toruno who has been in charge of delivering messages.

I think that this initiative by the government is conciliatory. This initiative takes into consideration many of the various stands that have been observed throughout this period, which starts with the signing of the Oslo agreement to the present time. Without meaning to speak on its half, I would say that the National Reconciliation Commisssion will have to see this initiative as an objective and positive proposal for peace.

[Unidentified reporter] Where could these preparatory meetings be held? Does your government have any proposals on this? Would such talks take place without the rebels putting their weapons down, necessarily?

[Serrano] I thank you very much for that question. First, the place where they will take place. Well, it would have to be a place that we mutually agree upon. That is the role of the mediator. He has to find the place and prepare the logistics.

As for putting down our weapons, no. We will not put down our weapons. This is why we have proposed an initiative for total peace. We will negotiate until we reach agreements. Once agreements are found, the fronts will be disbanded and counterinsurgency procedures will end. Obviously, if there is no insurgency, there is no reason to have counterinsurgency. This is one of the parts of our proposal.

In other words, we will negotiate. We are not demanding that they deliver their weapons. We will continue to protect the state, liberties, and rights of Guatemalans. It is the responsibility of the Army, and I, as its commander, will continue to issue the pertinent orders to maintain the stability we have had in this country. We will do all this in our effort to reach a total peace agreement.

[Unidentified reporter] Although your peace initiative presented to the guerrillas is clear, we feel that the Guatemalan people would like to know how the government will handle one of the URNG's demands. It is with regard to the military; they are calling for the military [word indistinct]. How will the government present this?

[Serrano] It is very simple. The duties of the Army are duly established in the Constitution. The Army is an institution that is not subject to any negotiation. That which is subject to talks and negotiations is the procedures we have had to establish throughout the years to counter the insurgency. We are willing to discuss these procedures.

In addition, at the Central American level, multilateral talks are under way to establish a framework for the development of the armed forces in this region. Guatemala is participating in such talks. Right now, a delegation from the Defense and Foreign Ministries is participating in the talks. We feel that whatever needs to be discussed should be brought up at the negotiating table.

Everything must be in accordance with the country's laws, however. There are things which the guerrillas could ask us to do, but if they are illegal we would not do them. We govern on the principle that this is an organized state, that I was elected to guarantee the legal system of this country, that we are making every effort to make this system work, and that the insurrection must go back to abiding by the law. If the laws need reform, we will reform them, but always within the law, as established by the mechanisms which Congress follows to reform the laws of the Republic. This is as far as our opening will go. We cannot violate our laws and Constitution at the request of any group. Everything must be done within the law. Thanks to you, reporters. Thank you, Guatemalan people. Messrs. Ministers, Mr. Vice President. Let all of us Guatemalans continue move forward and commit ourselves to peace. Thank you.

* Japanese Economic, Technical Aid 1989-90

91C10088A Guatemala City DIARIO DE CENTRO AMERICA in Spanish 8 Mar 91 p 3

[Text] The economic and technical cooperation provided by the government of Japan to Guatemala during the 1989-1990 fiscal year was substantial and timely, according to the data supplied by the embassy of that country.

This cooperation was reflected in "soft" loans, nonreimbursable economic cooperation, and technical cooperation.

This economic and technical cooperation has been offered to Guatemala in the following forms:

'Soft' Loans

1. Expansion of the digital telephone network in Guatemala City.
   Financing total—5.875 billion yen (approximately $45 million). Exchange of notes in February 1988.

2. Underground water system for Guatemala City.
   Financing total—4.711 billion yen (approximately $37 million). Exchange of notes in December 1990.

Nonreimbursable Financial Cooperation

1. General aid for economic and social development projects.
   a. Project for the acquisition of machinery and equipment for the maintenance of the road network in the department of Peten. Amount of the donation—493 million yen (approximately $3.792 million). Exchange of notes in April 1990.
   b. Project involving bridge construction in the rural sector. Amount of the donation—496 million yen (approximately $3.815 million). Exchange of notes in November 1990.

2. Cooperation in the fishing sector.
   Project for the development of traditional fishing. Amount of the donation—198 million yen (approximately $1.523 million). Exchange of notes in February 1991.

3. Cultural donation.
   a. Lighting and sound equipment for the National Theater in the amount of 42 million yen (approximately $323,000).
   b. Sound equipment for the La Democracia Park in the amount of 50 million yen (approximately $385,000).
   c. Equipment for research in microbiology at the University of San Carlos in Guatemala. Amount—45 million yen (approximately $334,000).

4. Small-scale donations.
   The projects listed below pertain to the 1989 fiscal year, and were carried out the following year.
   a. Expansion of electrical energy in the hamlet of Panabajal ($12,295).
   b. Care International agroforestry project in Guatemala ($10,056).
   c. Care International agroforestry project (storage facilities and mini-irrigation systems—$9,947).
   d. Electrical energy installation in the hamlet of Xacana ($27,860).
   e. Drinking water supply for the hamlet of La Union ($29,867).
   f. Emergency aid for repatriated and displaced Guatemalans (medicine, dental equipment, and blankets—$40,000).

Technical Cooperation

1. Dispatch of Japanese experts.
   In 1989 and 1990, a total of 12 experts worked in Guatemala. Currently there are six experts here (two in telecommunications, one in agriculture, one in mining, one in the INTECAP [Technical Institute for Training and Productivity], and one in the INDE [National Institute of Electrification]).

2. Japanese Volunteers for Cooperation Abroad service program.
   This program was launched in January of 1989, and there are currently 23 volunteers in the fields of civil engineering, poultry breeding, horticulture, homemaking skills, precision instruments, athletics, baseball, swimming, volleyball, judo, karate, beekeeping, and ceramics.

3. Scholarships for Guatemalan experts.
   In 1989, 26 scholarship students were enrolled in the technical cooperation project being carried out by the Japanese International Cooperation Agency (JICA). In connection with this same project, 28 scholarships were offered in 1990 for training in Japan in the fields of construction, drinking water, hydroelectric systems, urban transportation, geothermal energy, vocational institutions, bridge engineering, statistics, highway construction, microenterprises, tropical medicine, telecommunications, human resources, solid wastes, video production, international cooperation, etc., as well as new scholarships for training in third countries, as follows: microcomputers (Brazil); gastroenterology and livestock breeding (Chile); electronic microscopes, agroforestry, and antinarcotics measures (Costa Rica); and digital transmissions, mining, and ports (Mexico).

Donations of Equipment

The equipment donated in 1989 and 1990 includes:
   a. DIGESA [General Directorate of Agricultural Services], MAGA—two tractors and two excavators, $342,700.
   b. Malaria Division, MINSAP [Ministry of Public Health]—five vehicles and laboratory equipment, $249,000.
   c. Roosevelt Hospital—medical equipment, $78,000.
   d. MINSAP—eight solar energy coolers and three refrigerated trucks, $232,000.
   e. ICTA [Agriculture, Science, and Technology Institute]—tractor and cultivators, $92,000.

Development Studies

The following studies will last 18 to 24 months; 15 to 20 Japanese specialists are participating:
1. Development of the La Aurora and Santa Elena international airports. The final report was submitted in March of 1990.
2. Management of solid wastes from the metropolitan area (under way).
3. Transportation system in the metropolitan area (under way).

* Coffee Crop Prediction: 4.2 Million Quintals

91CA0088D Guatemala City DIARIO DE CENTRO AMERICA in Spanish 18 Feb 91 p 7

[Text] Despite the loss of some 500,000 quintals [one quintal equals 46 kg] of coffee because of the damage caused by the December rains, the production of the "golden beans" this year will be excellent, according to ANACAFE [National Association of Coffee] estimates, Adolfo Boppel Carrera, minister of agriculture, livestock breeding, and food, has announced.

The projections were for a harvest of 4.2 million quintals of the "golden beans," but more than half a million were lost because of damage done by the untimely rains to this crop, which is important to generate foreign exchange.

Where price is concerned, the minister said that the rate quoted for coffee on the world market had declined last week, but there was a slight increase of $4 per quintal this week. In any case, prices fluctuate.

* Prices Stabilize, Inflation Rate Drops

91CA0088C Guatemala City DIARIO DE CENTRO AMERICA in Spanish 4 Mar 91 p 3

[Text] Prices in general have stabilized on the local market, and this is reflected in a downward trend in the country's inflation. Inflation increased overall in January by 3.4 percent, but after the first three weeks of

February, the figure was negative, that is to say minus 0.1 percent, Minister of Economy Richard Aitkenhead Castillo has announced.

This official explained that as is the case in any economy, there are exceptions to the general trend toward stabilization in the prices of consumer goods used by the majority of the population.

In the food and beverage category, there was an increase of 3.5 percent in the preceding month, but in February, a decline of 2.5 percent was seen, representing a great difference in comparison to growth last year.

In 1990, there was an increase in inflation every month. Now, on the other hand, for the first time in a long time, an average decrease in the price index is being seen, Minister Richard Aitkenhead Castillo emphasized.

Honduras

Central Labor Federation Calls General Strike

PA0904043791 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 9 Apr 91

[Interview with Jose Angel Meza, president of the Central Federation of Unions of Free Honduran Workers, by Carlos Riedel in Tegucigalpa—live or recorded]

[Text] [Riedel] We have with us Mr. Jose Angel Meza, president of the Central Federation of Unions of Free Honduran Workers, Fecesitlih [comprising some 55,000 workers], whose members have declared a strike effective tomorrow at 0400 [1000 GMT]. Good evening, Mr. Meza.

[Meza] Good evening.

[Riedel] Why have you declared a strike?

[Meza] Well, the truth is that we have been talking with the government since last year concerning a series of problems that the labor movement organized under Fecesitlih has been experiencing. The Fecesitlih members have specifically had serious problems with the [name indistinct] comrades because their labor union has been reduced to nothing. The authorities have grossly mistreated our workers. Likewise, we have presented a request to increase the salaries of the workers oragnized under Fecesitlih, particularly those working for the government.

We recently received a proposal from the president of the Republic who offered 41 million lempiras—without including the additional benefits. This prompted us to present another proposal to President Callejas asking him to improve the proposal a little bit because we thought that this would enable us to solve the problems being experienced by public workers.

[Riedel] What strong groups support the strike?

[Meza] We are supported by labor unions like the Sepcamat [Union of Public Employees for Highways, Airports, and Terminals Maintenance], the municipality workers, all the health sector workers, the Sitrateln [Union of Honduran Telecommunications Workers] workers, the national printing shop workers, and other groups which comprise Fecesitlih. Today they signed their respective declarations calling for a strike.

[Riedel] Give us details of the strike.

[Meza] The comrades are still busy signing the communique announcing the strike, which will be joined at 0400 by all the groups that comprise Fecesitlih. They will adopt the necessary measures to launch a general strike, and they are all aware that this will be a sit-down strike. We ask the Honduran people to understand us in case they are affected by our decision, but we have no other choice because the Fecesitlih requests are more than fair. We want a salary readjustment, revision of the minimum salary, and stability for all workers.

[Riedel] Thank you for this information.

Presidency Communique Outlines Labor Proposals

PA0904043591 Tegucigalpa Televisora Hondurena in Spanish 0100 GMT 9 Apr 91

[Commmunique issued by the Press Secretariat of the Presidency in Tegucigalpa on 9 April—read by reporter Carlos Riedel]

[Text] President Rafael Leonardo Callejas met this afternoon with representatives of the Central Federation of Unions of Free Honduran Workers, Fecesitlih, to discuss the various demands that the labor organizations have decided to make to the Honduran Government.

The government of the Republic has presented several proposals, which were discussed at length with the labor union representatives, who decided to present a report at the Fecesitlih general assembly held today in the organization's headquarters.

The government's proposals can be summarized as follows:

1. Salary readjustment for the government workers and a revision of the minimum salary.

The government has proposed a salary increase equivalent to 45 million lempiras, as follows:

A) Salary adjustment for positions within the civil service: 31 million lempiras.

B) Additional expenses involving vacations, bonuses, and Injupem [Teachers Retirement and Pension Institute]: 10 million lempiras.

C) Additional bonus for public employees earning less than 500 lempiras: 2 million lempiras.

D) Salary adjustment for employees earning wages: 2 million lempiras.

Total: 45 million lempiras.

In addition, the government has pledged to continue the negotiations about the minimum salary increase, stating that if no consensus is reached by the two parties, the government would adopt the decision unilaterally.

2. Guarantee for labor stability and the return of dismissed workers.

The government has agreed to readmit all the workers who had been dismissed for violating labor regulations. The Fecesitlih must present the cases—fully documented—which are worthy of attention. The labor minister has been appointed to handle these requests.

3. Abolishment of Paragraph 2 of Article 10 of the Health Code.

The government has stated its willingness to request the National Congress' approval to eliminate this paragraph from the Health Code.

4. Solution to labor problems in the National Post Office.

The national government has pledged to guarantee labor stability and to respect the workers' right to organize labor unions at national level, according to the Republic's labor code. The Fecesitlih has requested a meeting with the National Post Office authorities for 1700 on Tuesday 22 April.

5. Negotiation of the work conditions stated in the labor contract between the central district municipal workers and the Tegucigalpa municipality.

The government has pledged to organize a meeting with the central district mayor to facilitate the conclusion of these negotiations.

6. Privatization of the state's assets and services.

The government has pledged to previously meet with labor groups that may be directly affected in the process to privatize the state's assets and services, to find the most appropriate solutions to the problems which may arise.

7. Referring to the agreements and pledges assumed between management and the workers, the government reasserts its willingness to respect and abide by the agreements and pledges signed with the workers. A commissioner will be jointly appointed so that he may analyze the agreements and pledges and list the points in which he identifies violations and delays in their implementation.

8. Control of staple prices.

The government has reasserted its position that the best solution to the problems of shortages, hoarding, and abuse against consumers is an adequate policy that encourages production, creates competition among enterprises, and lowers import tariffs, as well as an adequate macroeconomic policy against inflation. The government also stated its belief that the mechanisms to control prices will not have the desired effects to improve the Hondurans' living conditions.

Tegucigalpa, D.C., Francisco Morazan Municipality, 8 April 1991.

Press Secretariat, Presidency of the Republic.

Nicaragua

Disabled Veterans Seize Government TV Station

PA1090400391 Mexico City NOTIMEX in Spanish 2350 GMT 8 Apr 91

[Text] Managua, 8 Apr (NOTIMEX)—Today a group of 150 disabled war veterans, who are demanding that the Nicaraguan Government reevaluate their pensions, seized the state-owned television station and interrupted its programming.

"We will hold the control room until the government fulfills our demands," Carlos Saenz, leader of the Disabled Revolutionaries Organization (ORD), stated.

This is the second time that the disabled veterans have seized the state-owned television station. In September 1990 the station was off the air for two days while the disabled veterans demanded a reevaluation of their pensions.

Saenz said that the maximum pension granted by the government to a totally disabled veteran is 100 cordobas a month ($20), while a partially disabled veteran, meaning 60-percent disabled, receives 59 cordobas ($11.80). War widows receive only 19 cordobas a month ($3.80) for each child that is considered a war orphan.

The disabled war veterans, organized within the ORD, demand an average pension increase of 700 percent. According to Saenz, this had already been agreed upon with the government, but it has never been implemented.

"We exhausted all the possibilities of a negotiation before adopting this measure, but the doors of the Presidency and the Social Welfare Ministry have remained closed to us," Saenz said.

According to estimates, there are approximately 10,000 crippled veterans in Nicaragua—mostly young people who were affected by the 10-year civil war between the Sandinists and "contras."

Panama

Christian Democrats Forced Out of Government

PDC Ministers Replaced

PA0804161591 Panama City Circuito RPC Radio in Spanish 1545 GMT 8 Apr 91

[Text] We are in a position to report that the political developments that are taking place today within the government confirm the departure of the Christian Democratic Party [PDC] from the governing alliance.

Other changes that are being shuffled today and which we are announcing unofficially are: the government and Justice Ministry will be occupied by Juan Chevalier and the deputy ministry by Jose Miguel Aleman. Marco Alarcon will take over the post of education minister. Doctora Rola Pimentel will occupy the post of health minister. The new chief of the Public Force will be Gonzalo Menedez Franco, current magistrate of the Directorate for the Recovery of State Property. Alfredo Arias Grimaldo will replace Engineer Jorge De La Guardia as director of the Institute of Hydraulic Resources and Electrification. Jaime Ford, current Panamanian ambassador to Spain, will occupy the embassy in Washington.

Other information gathered from our news center is that Engineer Guillermo Quijano was offered the post of housing minister, but he declined it. Also, newswoman Mayin Correa declined the post of city mayor.

At this moment, Vice President Ricardo Arias Calderon is touring the government offices bidding farewell to the officials who have served under the various PDC chiefs. This is a last-minute report; stay tuned.

New Cabinet Members Reported

PA0804165591 Hamburg DPA in Spanish 1552 GMT 8 Apr 91

[Text] Panama City, 8 Apr (DPA)—Panamanian President Guillermo Endara will announce within the next few hours the names of his new cabinet, which will not include members of the Christian Democraty Party [PDC], a party which up to now held five of the 12 ministries, an official source disclosed today.

Endara's cabinet will reportedly be made up of his fellow Arnulfist Party members: Juan Chevalier as government minister, Guillermo Rolla Pimentel as health minister, Alfredo Arias as public works minister, and Marcos Alarcon as education minister, the spokesman added.

The following ministers will be confirmed in their posts: Mario Galindo of the Finance Ministry, Jorge Ruben Rosas of the Labor Ministry, Guillermo Ford of the Planning Ministry, and Julio Linares of the Foreign Ministry. They are all members of the Nationalist Liberal Republican Movement (Molirena).

It was also reported that Authentic Liberal Party (PLA) members Julio Harris of the Ministry of the Presidency and Ezequiel Rodriguez of the Agricultural Development Ministry will remain in their posts.

Current Deputy Commerce Minister Roberto Alfaro, who is not active in any political party but very close to the Arnulfists, will reportedly be appointed minister.

Molirena members Guillermo Quijano and Laurencio Guardia are candidates to fill the Housing Ministry.

The PDC had controlled the Government Ministry—where its president, Ricardo Arias Calderon, is minister—and the Education, Health, Public Works, and Housing Ministries.

The powerful Government Ministry, which controls the Panamanian Public Force, was offered to Roberto Eisenmann, director of the influential LA PRENSA newspaper, and to presidential adviser Joaquin Franco, but they both declined.

The PDC, which has 28 of the 67 members of the legislature and which up to now has been the main force of the ruling coalition, will reportedly act in the opposition.

Endara Lists Cabinet Changes

PA0804192791 Panama City Radio and Television Networks in Spanish 1814 GMT 8 Apr 91

[Address to the nation by President Guillermo Endara Galimany from the presidential palace in Panama City—live]

[Text] Fellow citizens:

I address you with the respect that each one of the citizens of this country deserves from their president.

As the main leader of this nation, it is my duty to keep you informed of important developments that can affect national life.

A few days ago in a public statement, the Christian Democratic Party [PDC] threatened me with leaving the government to embrace the opposition. Therefore, the subject has been placed on the table only and exclusively by the leaders of that party. In open defiance, the president of the Republic has been challenged to speak clearly. Consequently, I have no other alternative but to respond to the challenge. I must do so publicly and definitely. I must respond in the same way I received the challenge. I must do so by addressing the highest national interests.

So as there will be no doubt as to the causes for this painful situation, I first of all must clarify two important aspects: First of all, the opinions expressed by the comptroller general have nothing to do with the decision I am about to announce. The views expressed by that government official are not the real cause of the existing differences. Second, the differences that have emerged have nothing to do with the recently adopted new

expression: social debt. There has never been, I repeat, never, any disagreement within my government on the importance of solving the dire needs that the Panamanian people are facing in the areas of education, housing, health, labor, and security. We have all been concerned about those problems and their solutions. We have all been working hard and conscientiously toward solving them. Therefore, referring to those problems now as social debt or budget balance and trying to imply that they are not or have not been my government's concern neither corresponds to reality nor is just.

Concern for the needs of the Panamanian people is not an exclusive endowment of any one political party and, in all fairness, the PDC cannot raise this as a last-minute excuse.

I must mention a few of the areas in which we really have differences. Unfortunately, these differences have proven to be unsurmountable, although I have made many efforts and sacrifices to overcome them since the beginning of my government. First, the general view is that I was excessively generous with the PDC. I was excessively generous when I assigned responsibilities to posts in the central government as well as in the decentralized institutions. I believed—I now know that I was mistaken—that this total and voluntary unselfishness would strengthen the government alliance in its executive efforts. I believed this attitude would be reciprocated in the legislative branch and that a government alliance would also exist in regard to legislative matters. Unfortunately the PDC legislators did not have this opinion. They believed they were not part of the government agreement and did not share its goals. They have consistently behaved as if the government's joint work is not their responsibility and is totally unrelated to them. They have placed aside their historic responsibility to the Panamanian people.

The following incident is only an example: With very bad intentions, the PDC legislators handled the hackneyed charges against the President of the Republic at a Legislatiave Assembly commission. The charges were kept alive for three months, and the case was presented with little elegance and a great deal of tastelessness to make a laughing stock out of Panama and its democratic government, especially in foreign countries where the concept of a true democratic process is entirely different.

I acknowledge receipt of the PDC legislators' threat of opposing my government. I must mention that those legislators have so far behaved as a true, although sly, opposition. Therefore, nothing will change when they carry out their threat. This compliance will only mean that they will be carrying out openly what has been done behind the scenes since last year. Nothing will change substantially, and the task will not be any more difficult than it has been up to now.

Second, the arrogance, haughtiness, and predominance shown by many PDC leaders to the Arnulfist Party members has been open and direct. It has gone beyond the limits of what is tolerable. The PDC leaders' permanent contempt for Arnulfists, who are poor, dignified, and worthy of all respect, has surpassed the limits of our patience and has created justified resentment in the Arnulfist Party.

The logical result is that this situation was not conducive to a good working alliance. It is impossible to govern with the desired tranquillity and dedication under those circumstances. I have the unshirkable obligation to raise my voice to defend the Arnulfist men and women, who constitute the immense majority of the Panamanian people. Not for their humbleness are they less of a people; not for their poverty are they second-class Panamanians. Their personal identification mark does not make them better, but it does not make them less than any upper-class, enlightened Christian Democrat.

Third, the discovery made recently of certain vigilance and intelligence activities, with the knowledge or tolerance of the authorities of the Government and Justice Ministry, which were expressly prohibited by me, evidence a justified loss of confidence in the discipline, subordination, and total loyalty of the PDC as one of the members of a coalition government, subordinated to the president of the Republic.

The utilization of houses 322 A and 322 B in Quarry Heights by officials of the Government and Justice Ministry to conduct intelligence work, which was also in open violation of the canal treaties, was discovered by the Directorate for the Recovery of State Property under the management of Magistrate Eusebio Marchosky. That office, therefore, can provide greater detail on the activities that were conducted there. The result of this discovery can be nothing less than the loss of confidence in a member-ally of my government.

During the past few days, I have conducted intense and permanent consultations with leaders and members of different political parties, with different personalities of Panamanian life, with personal friends, and with members of my government. I have wanted to hear all the opinions available before making a final decision, and I must make that decision.

Considering the causes of the differences alluded to, I have decided that as of this moment I will cease to govern with the participation of the PDC as a political ally in the executive branch. They can, if they so choose, go to the opposition in the way and manner that they have chosen and manifested openly and defiantly.

I must note a personal aspect. My friendship with Dr. Ricardo Arias Calderon remains unchanged. Dr. Arias Calderon is the first vice president of the Republic of Panama by decision of the Panamanian people. I cannot forget that fact, and I ask the members of my government and the people in general not to forget that. He will have all the inherent prerogatives of his post. He will be called to the Cabinet Council meetings, according to the

Constitution. I will assign him missions that I deem opportune and that he accepts, according to constitutional provisions.

The decision I have made leads me to make logical changes in my cabinet. I have invited some cabinet members to remain in their posts and continue working with me in carrying out our unchanged government plan. I have invited new individuals, all of them capable persons, to join our work. Both the outgoing and new cabinet members have committed themselves to observing the important characteristics that must always guide their conduct and accompany their work: sacrifice, effort, optimism, initiative, creativity, imagination, firmness, tenacity, honesty, and, above all, love for the fatherland.

I have created a working team to work as a team. We will continue working to expand employment. We will continue working to give security. We will work in harmony. We will work in direct contact with the people. We will work in a new fundamental alliance, with renewed strength, to achieve the objectives we offered the people in May 1989, and which we promised ourselves to carry out in December of that same year.

It is a fundamental alliance for the country's material and moral reconstruction to eliminate misery in the country and to democratize and demilitarize the Republic. The postulates and government platform continue with the same objectives.

With this I end my speech, and I want to announce the appointments that are being made. I must clarify that at this time the respective resignations are being requested, after which the new appointments will be made. Therefore, the following appointments are announced in advance:

Ministry of Government and Justice: Minister Juan B. Chevalier Bravo; Deputy Minister Jose Miguel Aleman;

Digedecom [General Directorate of Community Development]: Professor Hector Penalba;

Immigration: Antonio Dominguez;

Ministry of Planning and Economic Policy: Minister Guillermo Ford; Deputy Minister Bolivar Pariente;

Ministry of Housing: Minister Guillermo Elias Quijano, Jr.; Deputy Minister Rodrigo Sanchez;

Ministry of Finance & Treasury: Minister Mario Galindo; Deputy Minister Delia Cardenas;

Education Ministry: Minister Teacher Marcos Alarcon; Deputy Minister Professor Bolivar Armuelles;

Ministry of Labor and Social Welfare: Minister Jorge Ruben Rosas; Deputy Minister Gilberto Sucre;

Health Ministry: Minister Guillermo Rolla Pimentel; Deputy Minister Carlos Abadia;

Ministry of Agricultural Development: Minister Ezequiel Rodriguez; deputy minister— to be announced soon;

Ministry of Public Works: Minister Engineer Alfredo Arias; Deputy Minister Engineer Laurencio Guardia;

Ministry of Foreign Relations: Minister Dr. Julio Linares; Deputy Minister Jose Raul Mulino;

Ministry of Commerce and Industries: Minister Roberto Alfaro; deputy minister—to be announced in due time;

Ministry of the Presidency: Minister Julio Harris; Deputy Minister Miguel Batista.

Thank you for your attention. God bless you.

Arias Calderon Bids Farewell to Ministry Workers

Refuses To Confirm Resignation

PA0804184491 Panama City Circuito RPC Television in Spanish 1730 GMT 8 Apr 91

[Text] It is a fact that the Christian Democrats have withdrawn from the government political alliance. Ricardo Arias Calderon, first vice president and government and justice minister, bid farewell to the personnel in the ministry this morning, but did not confirm his resignation to the press. On his way out, Arias Calderon made the following statements to the press:

[Begin recording] [Arias Calderon] I have cleaned out my desk and bid farewell to all my personnel; draw your own conclusions.

[Unidentified reporter] Have you spoken to the president?

[Arias Calderon] I have not received any calls from him.

[Reporter] What about the firemen's case [not further identified]?

[Arias Calderon] That will have to be taken up....

[Reporter, interrupting] You are second in command, we voted for you.

[Arias Calderon] The vice president is only a spare tire.

[Reporter] No sir, no way.

[Second reporter] What about your post as vice president?

[Arias Calderon] I was elected vice president by the people and no one can change this. [end recording]

Responds to Endara Speech

PA0804203191 Panama City Circuito RPC Television in Spanish 1850 GMT 8 Apr 91

[Statement by First Vice President Ricardo Arias Calderon at Christian Democratic Party headquarters in

Panama City on 8 April; "in response to President Guillermo Endara's speech"—recorded]

[Text] I wish to make a few initial comments before I meet with the expanded political committee of the Christian Democratic Party [PDC]. Within the party, the important decisions are made in accordance with the party's charter and with the consensus of the appropriate organizations.

The fundamental responsibility for putting an end to the Civic Democratic Opposition Alliance [ADOC] falls on the shoulders of Guillermo Endara. [applause] The manner in which the PDC was removed from the government reminds us, by the way it was done, of the ways the dictatorship had of advising the people of changes being made—on television. [applause] This represents the end of a decade; a decade during which the Panamanian people expressed their struggle against the dictatorship and for democracy through that great movement, the ADOC. It was a decade that deeply marked the history of our country and President Endara is to blame for putting an end to that decade. President Endara also is to blame for ignoring the demands of the Panamanian people expressed during the 7 May 1989 elections. The Panamanian people demanded an ADOC government to build democracy and a better life for the Panamanian people. Yet Endara has taken on the responsibility of putting an end to that government that the Panamanian people demanded and continue to demand—the civic government. Endara knows that now that he has excluded the PDC from the government, now that he no longer has the vote of the 28 PDC legislators at the Legislative Assembly—decisive votes cast in all important elections—he has chosen to govern with the PRD [Democratic Revolutionary Party]. [applause] [sentence as heard]

It is not true that the problem of the social debt was never broached with the president of the Republic when discussing the implementation of the budget. On several occasions, at cabinet meetings, during heated discussions with the cabinet, during various personal meetings I had with the president, in public confrontations between PDC members and the comptroller, and during the public questioning of the comptroller by PDC legislators, on all those occasions we repeatedly said that the budget law had to be respected and that it was not being respected because of the comptroller's arbitrariness. We also said that the budget law was not being respected to the detriment of the social needs of the Panamanian people. I cannot understand how today President Endara can say that he was never told about this. Perhaps, he never understood it, but this was brought to his attention on several occasions. [laughter, applause] [crowd shouts: Ricardo, Ricardo, Ricardo, Ricardo] Let President Endara know that the voice of the poor will be heard loud and clear through the PDC. [applause] [crowd shouts indistinct slogans]

I wish to note that he did not even mention the second fundamental point suggested by the PDC to save the ADOC, that is, that deep changes be made within the Attorney General's Office so that justice in Panama would be effective. President Endara did not hear this demand even though in the past few weeks, in his own presidential office, I personally talked to him of the need to remove the attorney general; that he ask the attorney general to resign so that there would be justice in Panama. [applause; crowd shouts: justice, justice, justice]

He touched on the issue of trust. How can he call me his friend if he does not trust his government minister? Why did he never before, face to face, man to man, express that lack of trust. Why was it that when I told him that I did not trust him, he apologized and reiterated his trust in me, something that he is now publicly saying he did not have. [unidentified person shouts: Hypocrite] [applause] If what he has said about the Government Ministry officials is true, then have me arrested. [applause] [crowd shouts: Ricardo, friend, the people are with you]

Because of the unilateral decision adopted by President Endara, we will become the democratic opposition in our country. We will do so firmly and seriously. We will do so thinking, above all, of our country's well-being. We will do so fully respecting the democratic constitutional order for which we have struggled all our lives and which we will help maintain at all cost.

I want to take this opportunity to refer to what has been my personal cross during all these months. I promised to carry out the country's demilitarization and it has been done. What still must be done is to formalize it with constitutional reform and we will vote for such constitutional reform. I promised to depoliticize the public security services and they have been completely depoliticized.

I want to issue a call to all those men and women of the public security services who have known that in the Government Ministry they had a firm and serious representative of the civilian authority. At the time that I leave this post, remember your oath, an oath I helped write and that I believe is very important. Men of the National Police, the National Air Service, and the National Maritime Service: You swore by an oath, which I helped write, that you would fulfill, under the authority of the president, the Constitution and the laws in defense of democracy. At this time that I leave the post of government minister, proud of the work done, I reiterate to all the members of the public security services that your first commitment to the fatherland is to fulfill that oath, to fulfill it under the authority of the president of the Republic, to fulfill it in accordance with the Constitution and the laws.

When the history of how democracy began to be rebuilt in Panama is written—once the passions of the moment have been surpassed—it will have to be said that we carried out the very important task of demilitarization and of subordination of the public force to the civilian authority and that this was done under the Endara

administration by a Christian Democratic minister! [applause, indistinct shouting]

To all you fellow party members and friends, thank you very much. There have been difficult moments during this participation in the government. There have been moments of anguish as the distrust—even pathological in some—grew, which made the shared work more difficult; but in you I have at all times found support understanding, and encouragement. To the thousands of Panamanian men and women who continue trusting the green star [Christian Democratic Party symbol], I can tell them that there will be very many more green stars in Panama's future!

Menendez Franco Named National Police Director

PA0804232191 Panama City Radio KW Continente in Spanish 2227 GMT 8 Apr 91

[Report by Celso Contreras; broadcast in progress]

[Text] ...outgoing National Police Director Efrain Asvat, that Gonzalo Menendez Franco will take office as new National Police director tomorrow. Activities at police headquarters are completely normal. There is only some suspense and tension among other members of the police corps regarding the arrival of the new minister of government and justice. We expect the change of the head of the National Police to take place tomorrow.

We contacted the new police director, Gonzalo Menendez Franco, who, after talking with the minister and outgoing police director Asvat, said the following:

[Begin Menendez Franco recording] Absolutely not. Absolutely not. [repeats himself] [end recording]

Menendez Franco said this in response to a question as to whether the police force, under its new authorities, will be used as a means of repression against the Christian Democrats. As you heard, Menendez Franco said: Absolutely not.

[Begin recording] [Contreras] What about the crime rate?

[Menendez Franco] That is something that I will have to discuss with my friend, Asvat. I plan to invite [Technical Judicial Police Director] Osvaldo Fernandez, [Customs Director] Rodrigo Arosemena, and Sergio Marchosky [president of the Directorate for the Recovery of State Property], to meet so that the four of us can discuss matters of mutual interest, as I have already discussed such matters with Asvat. Just three days ago, on Friday, we discussed the possibility of carrying out some joint efforts between the authorities in charge of state property, in which I was involved, and the police authorities, which were under Asvat. That will continue. We will expand upon this. It is a decision that is coming, a positive decision. [end recording]

New Government Minister Praises Arias Calderon

PA0904001191 Panama City Circuito RPC Television in Spanish 2304 GMT 8 Apr 91

[Text] Following the speech made by President Guillermo Endara Galimany around noon today, in which he officially expelled the Christian Democratic Party [PDC] from the governing alliance, PDC President Ricardo Arias Calderon responded publicly and vigorously to President Endara's harsh words. For his part, President Endara has declined to comment on the speech made by Arias Calderon, who is still first vice president of the Republic. Juan Chevalier, who has succeeded Arias Calderon as government minister, had words of praise for Arias Calderon's performance in that post.

[Begin recording] [Chevalier] It has come as something of a surprise, right? I am certain that I will find a great deal of cooperation and discipline because my predecessor was a very serious man who does things in a serious manner.

[Unidentified reporter] Mr. Minister, have you already decided who will be the new chief of the Public Force?

[Chevalier] The new chief of police will be Dr. Gonzalo Menendez Franco.

[Reporter] Will the purging of the Public Force continue immediately?

[Chevalier] Efforts to gain civilian control of the Public Force will continue.

[Reporter] How about the new director of the media?

[Chevalier] The post has been offered to various people. I am awaiting their response. [end recording]

PLA Vice President Deems Changes 'Mistake'

PA0804185891 Panama City Circuito RPC Television in Spanish 1740 GMT 8 Apr 91

[Text] Jaime Ortega, vice president of the Authentic Liberal Party [PLA], today pointed out that the Arnulfists are making a mistake by pushing aside the Christian Democrats.

[Begin recording] [Ortega] The situation prevailing in the country is nothing but a plan that has been orchestrated by the Arnulfists in complicity with Comptroller [Ruben Dario] Carles and others who feel that the Christian Democratic Party has become an obstacle within the country.

Look, the country's social debt with the Panamanian people could not be met last year, simply because the comptroller kept $400 million that belonged to the people, money which could have been used in the fields of public health, education, highways, housing, and in many other fields for the benefit of the people.

[Unidentified reporter] You, however, were one of those who proposed Guillermo Endara for president.

[Ortega] I want to tell the country that yes, I was one of the five who proposed Endara. I beg forgiveness from the Panamanian people. I beg forgiveness from the Panamanian people for having been one of the men who went to Endara's office and proposed his name for president, and for having voted for him, because I made a mistake. [end recording]

Political Leaders Reflect on Disrupted Coalition

PA0904031091 Panama City Circuito RPC Television in Spanish 2308 GMT 8 Apr 91

[Passages within quotation marks are recorded]

[Text] The PRD [Democratic Revolutionary Party] will not play a determining role in the decisions made by the Christian Democratic Party [PDC] in the Assembly, according to PDC Legislator Gloria Moreno de Lopez. The legislator was referring to the latest changes in the government apparatus.

[Moreno] "Regrettably, the government alliance has been destroyed by the president of the Republic. He has betrayed the Panamanian people, who voted for an alliance to destroy a dictatorship and who wanted that alliance to last until 1994. It is important for the people of this country to know that the PDC did everything possible to keep the alliance from being disrupted. We were prepared to yield on many issues, and the president of the Republic knows this. Nevertheless, when he wants to stand firm in a position and does not want to hear any comments, the president does so. This time, he has behaved with the same stubbornness that he displayed to this country when he decided to keep Menalco Solis [executive secretary of the Public Defense and National Security Council] in office, whether anyone liked it or not. Regrettably, that is the position of the president that we have in office. Just as he said on that occasion—that he did not care about the opinion of the legislators and that their opinion was irrelevant because Menalco Solis was his friend—on Friday he told us about using axes. Regrettably, he reminds us of Noriega.

The Panamanian people can be quite certain that the PDC legislators will never allow the PRD to become an arbiter in the assembly. We will not allow the divisions that occurred at the level of the executive branch to occur in the Legislative Palace. We will work for the benefit of the Panamanian people. Whenever a law is presented that must be approved because it benefits the masses, we will vote according to our conscience on the side of the people."

On the other hand, politician Carlos Ivan Zuniga [former presidential candidate of the People's Action Party] said that the position of the PRD will indeed be a determining factor in the making of decisions in the Legislative Assembly.

[Zuniga] "If the government presents an initiative, the PRD will be the arbiter. If there is an initiative from the PDC opposition, the PRD will be the arbiter. In other words, the PDC now has the PRD as arbiter of its legislative actions, and it is regrettable that this should be the consequence of a lack of political responsibility and a lack of interest in the Panamanian democratic process. I greatly regret that the people, particularly the country's institutions, will be the ones who suffer. If President Endara and all the political forces of the Panamanian nation fail to realize that this is the time to hold a constituent assembly—the only fertile, important, and constructive dialogue that the Panamanian nation can have—then we will definitely soon fall into new crises, because the alliance that remains, that union that remains, is also very relative. I am intimately acquainted with what is going on there, and I know that, unfortunately, no programmatic tie binds those groups. It is sad that this country, which has such great hopes of emerging from the problems that it inherited from 21 years of militaristic opprobrium, should suddenly find itself with a so-called democratic government that does not resolve basic problems and that, I repeat, will become bogged down in incredible sterility."

Reactions began pouring in from PDC members following the president's announcement of the PDC's expulsion from the governing alliance.

[PDC Legislator Raul Ossa] "We want to state clearly that the PDC on its own does not have a majority of seats within the Legislative Assembly. The PDC, however, has 45 percent of Assembly seats, thus representing a significant force. Our interests are above party selfishness; we are going to help build a democracy and the fatherland from the Legislative Assembly. We will work seriously and responsibly from the opposition and we are going to struggle on behalf of the country's poor—this does not mean, however, that we will oppose everything. We will build a serious and decent democracy. That is what we will do at the Legislative Assembly.

[Unidentified reporter] "What do you think of the appointment of Marcos Alarcon as the education minister?

[Outgoing Education Minister Ada de Gordon] "I think of him as a teachers' union leader. In a certain way, this fulfills one of our union's goals—that individuals who are appointed to this position should have ties with education. I know from experience that the educational sector it is a very tough job, one of limited funds. I hope the comptroller releases to Alarcon the education ministry funds that were denied to me during my tenure. I also hope that a series of initiatives which we began can be successfully completed. For example, the creation of the Directorate for the Education of Exceptional Children and the establisment of the Directorate for Environmental Studies—initiatives that will improve the quality of education and eventually benefit the entire country.

[Reporter] "What is you opinion the appointment of Mrs. Mayin Correa to be the mayor of Panama City?

[Outgoing Mayor Guillermo Cochez] "I am not issuing any comment on any of the appointments. I believe the

country is more interested in the evaluation of President Endara's overall actions, precisely because he was able to become president as the result of PDC support. I believe that a great error has been made and that the people's mandate is being disregarded. We have always said, and so has President Endara, that he is the people's president. The people, however, gave us the mandate to govern in an opposition alliance—the ADOC [Civic Opposition Democratic Alliance]. This mandate was today destroyed by the president's announcement of PDC's separation from the alliance. This demonstrates that, because of the president's decision, the government will now have to look for new alliance partners. Concerning the legislature, the only way an alliance can be concluded is with the PRD. Is that why the people voted against Noriega in May 1989? Definitely not.

[Reporter] "What is your position now that you are no longer mayor and you were elected as legislator?

[Cochez] "Upon my departure from the mayor's office, I will return to the Legislative Assembly."

Marchowsky Reveals Ministry Espionage 'Cover-Up'

PA0904001291 Panama City Radio KW Continente in Spanish 2144 GMT 8 Apr 91

[Passages within quotation marks are recorded]

[Text] Eusebio Marchosky, president of the Directorate for the Recovery of State Property, of the Comptroller's Office, has held a news conference during which he disclosed a cover-up by individuals who work for the Government and Justice Ministry. The cover-up is related to the search carried out by the president on 25 March, of a house located in the reverted area that had been used for espionage. Dr. Marchowsky spoke of this operation and the disclaimer made at the time by former Government and Justice Minister Dr. Ricardo Arias Calderon.

[Marchosky] "On 25 March, the president took control of the operation to occupy those houses. He called the government and justice minister to ask about that office, and the minister replied that the office did not exist. Up to September 1990, the Public Force operated an office there for criminal investigative intelligence work, but the government and justice minister stressed that the office was now closed and agreed to hand the president the keys. Institutional Protection Service [SPI] personnel went there and were able to determine that most of the equipment had already been removed. Documents, however, had been left behind that were proof of how that office operated. For example, there was the activity logbook [Diario de Partes y Novedades] used to record everything that took place every day. The last logbook entry was dated 23 March 1991—the Saturday before the president's search."

Marchowsky stressed that the existence of this espionage office was covered up by former Government and Justice Minister Ricardo Arias Calderon, but there was evidence that the office served to gather information on well-known politicians, such as journalist Mayin Correa as well as other important people.

[Marchowsky] "We found a logbook used to record the information that was received at that office, showing that the president and his closest associates were under political surveillance. There was a file on Mayin Correa. In fact, while the presidential SPI personnel were there, Public Force personnel that were to work the 25 March evening shift arrived. They arrived to work at an office, which according to the information supplied by the government and justice minister, did not exist. What is most serious is that we know the nature of the documents that had been removed from there and that someone at this moment has it hidden from the president. That is why the president decided to resume control of the Government and Justice Ministry and the Public Force."

The most convincing evidence given by Marchowsky was when he explained that as soon as the telephones at this espionage office were connected, calls began to come in from all Public Force garrisons giving reports. When Intel [National Telecommunications Institute] was asked for a detailed report on all calls placed and received at this office, Intel Director Jose Mauad—a Christian Democratic Party [PDC] member—ordered that no information be given to the Directorate for the Recovery of State Property.

[Marchowsky] "Reports from all garrisons were immediately received. We requested that Intel supply us with a detailed list of long-distance calls from and to that espionage office. At some point in time, Mauad, a PDC member who was abroad, instructed Intel personnel not to supply us with the information. Mauad, therefore, tried to hamper the investigation. We then said we were going to apply the law and issue sanctions. The information was then handed to us and we were able to determine that calls continued to be received on that telephone and calls continued to be placed [as heard], either to receive reports or to issue instructions."

Marchowsky said that there is a considerable number of people who are under arrest who work with the Public Force in connection with this case. KW Continente was able to learn unofficially that there are 26 Public Force members under arrest, which was not confirmed by Marchowsky. We were also told that [Lieutenant Colonel Fernando] Quesada and [Lieutenant Colonel Aristides] Valdonedo were involved in this espionage activity, but this was not confirmed by Marchowsky.

Marchowsky's statements were given the very day the president announced a change of cabinet, which includes the former Government and Justice Minister Ricardo Arias Calderon.

PRD: No Alliances While U.S. Troops Remain

PA0904004891 Mexico City NOTIMEX in Spanish 2332 GMT 8 Apr 91

[Text] Panama City, 8 Apr (NOTIMEX)—The Democratic Revolutionary Party (PRD) said today that it will not form alliances with the governing parties or the Christian Democratic Party [PDC] as long as Panama continues to be occupied by U.S. troops.

A statement to this effect was made today by PRD President Gerardo Gonzalez Para, when he dismissed the PDC's theory that the PRD would form an alliance with Guillermo Endara's government.

"We are the real opposition because we are engaged in a nationalist process, Torrijism, that has been interrupted by the invasion (in December 1989) and by this disastrous government," Gonzalez said.

Gonzalez ruled out the possibility of future alliances with the popular sectors of the ruling parties or with the PDC itself whenever there are national projects to be defended.

"As things stand, with an occupied country, we are not going to lend ourselves to alliances until things are clearer," Gonzalez said.

Gonzalez emphasized that the PRD has no plans to participate in a coalition within the Panamanian parliament with the PDC, which has 28 of the 65 Legislative Assembly seats.

The PRD has 10 legislators in the Assembly, while with today's rupture the ruling parties have only 27.

Pro-Democracy Member: U.S. Wants Endara Ousted

PA0804204691 Hamburg DPA in Spanish 1936 GMT 8 Apr 91

[Text] Panama City, 8 Apr (DPA)—Miguel Antonio Bernal, member of the Pro-Democracy Committee, said today that the United States "has forged a plan" to force President Guillermo Endara to resign to put current Second Vice President Guillermo Ford in the Presidency.

Bernal said in an interview with Radio Station Exitosa that the current political crisis in Panama, which has triggered the departure of the Christian Democrats from the government alliance, is an indication of the "beginning of the end of Endara's regime."

According to the politician, the U.S.-orchestrated plan is being carried out in Panama by Comptroller General Ruben Dario Carles and former Panamanian Ambassador to Washington Carlos Rodriguez, who are "clearing the way" for Endara's departure and Ford's rise to the Presidency.

According to Bernal's statements, the plan was aimed at neutralizing Ricardo Arias Calderon, first vice president and chairman of the Christian Democrat Party, which will be stripped of the main posts it occupies in the government.

Arias, who held the post of government and justice minister, this morning bid farewell to the personnel in that ministry, but warned that he is "the vice president elected by the people and nobody can change that."

Bernal predicted that if a real political solution is not found to the Panamanian crisis, the situation will spark armed confrontations among the party members to defend their quotas of power.

Newspapers Comment on Recent Political Situation

PA0704043291

[Editorial Report] The following is a summary of various reports and commentaries published in Panama City's Spanish-language newspapers on 6 April in relation to the current political situation.

LA ESTRELLA DE PANAMA on page A2 publishes a 400-word report by Emilio Sinclair saying that "the political storm between the Christian Democratic Party, PDC, and President Guillermo Endara Galimany's Arnulfist Party, PA, seems to have worsened; however, the PDC has given no indications that it will withdraw from the government in response to the president's verbal attacks." The report adds that it was agreed at a meeting on 5 April that the final decision must be made by the PDC Political Committee. The report notes that, according to PDC members, a rupture with the Endara Government does not mean they will form an alliance with the PRD [Democratic Revolutionary Party]. In addition, the report states that after meeting with Archbishop Marcos Gregorio McGrath on 5 April, PDC President Ricardo Arias Calderon said that "his party presented a proposal to President Endara and was waiting for a reply."

DIARIO INDEPENDIENTE on page 22 publishes a 500-word report by Marshal McKleen citing PDC Legislator Gloria Moreno de Lopez saying that "President Endara was elected to govern and he invented the triumvirate government." She said that "the president should separate his two vice presidents from their ministerial positions," adding that "he should have the courage of firing the ministers he himself appointed," because as president he has the authority to do so.

LA PRENSA on page 2A publishes a 700-word report by Monolo Alvarez Cedeno which says that when President Endara accused the PDC of introducing arms into the country, "the PDC immediately reacted by denying these reports and saying that it is not afraid of going to the opposition." The report adds that the PDC also challenged Endara to "clearly express" its intentions, as in that manner it "will receive a clear and open reply." Meanwhile, the report says, Endara's recent warning that he will return a blow for a blow "seems to have awakened the warlike spirit within the PA, which has had a

combative history of struggle and violence in the Panamanian streets and mountains." The report adds that many adversaries view Endara as "a dreadful and impulsive enemy capable of anything." The report goes on to say that efforts conducted by the private enterprise through the Civic Crusade to reunify the parties in the alliance have been fruitless. Meanwhile, the report notes, "the U.S. Embassy, which has many interests in this small Central American country, has kept a 'long' silence in regard to the incidents."

LA PRENSA also carries a 300-word "As of Today" editorial column on page 1-A which says that, "as a result of recent political developments, all hopes for reaching an understanding among the ADOC [Civic Democratic Opposition Alliance] parties seem to have vanished." It adds that the Civic Crusade's conciliatory efforts have failed and the country is facing a very serious crisis. The column states that "a change of government is inevitable and the criteria used to select the new ministers will determine the government's possibilities of success." It adds that "a sterile confrontation between the executive and legislative branches could lead to political chaos of grave and unpredictable consequences for all." The column "urges the political parties in the ruling coalition and their leaders to gracefully accept the cabinet changes the president decides to make and to remain within the alliance to carry out the common objectives that inspired its creation." It ends by stressing that Panama should be the parties' main interest.

Comptroller Refutes Charges by Arias Calderon

PA0804174791 Panama City EL SIGLO in Spanish 8 Apr 91 p 38

[Report by Aneldo Arosemena]

[Text] Comptroller General Ruben Dario Carles said yesterday afternoon that if Dr. Ricardo Arias Calderon, fist vice president and government and justice minister, has something to say, he should say it, adding that the Christian Democratic Party [PDC] has "problems" with other sectors in the government and not with the Comptroller General's Office.

Carles replied to Arias Calderon's remarks that sectors within the government and the Comptroller General's Office, in particular, wanted to remove his party from the government.

Carles made his statement upon arriving at the presidential palace to attend a meeting with President Guillermo Endara. Also attending the meeting where Hernan Delgado, an influential leader of the Movement of Unionized Lawyers, Carlos Rodriguez, Arnulfo Arias' running mate in the 1984 elections, and Eusebio Marchorky, president of the Directorate for the Recovery of State Property.

Carles noted that he "has nothing to do" with the country's political problems and reiterated that the future of the alliance, as well as any cabinet changes, are strictly in the hands of the president.

"Everybody should look in the mirror and be responsible for their own actions, instead of making excuses," the comptroller general said, commenting on the political crisis in the country.

"I do not put pressure on anyone, and I think Arias is simply trying to draw attention away from the current problems. The PDC has political problems with other government sectors and not the Comptroller General's Office," Carles concluded.

In this respect, we received a communique signed by Carles in response to the attacks made by First Vice President Arias Calderon. The comptroller general's document reads as follows:

Some news media have reported that PDC leaders publicly questioned the national government's policy on the adopted economic policy plan, as well as on the handling of the state's obligations, in particularly, the foreign debt.

These political leaders have tried to hold the Comptroller General's Office responsible over the nature, objectives, and mechanisms entailed in the implementation of the economic and fiscal policies.

The stress has been placed on the distinction that exists between the state's financial debt and that which some politicians, imitating failed foreign models, called the "social debt."

On this matter, we must explain the following:

1. The government's economic policy was totally and unanimously approved by the Cabinet Council, with the participation of the PDC members.

2. The government's policy on the internal and foreign debt was included in the national government's budget for income and expenditures, approved by Law 32 of 1990. That budget set priorities in terms of the utilization of the state resources and contains the allocations earmarked to service the public debt. The public debt policy was unanimously approved by the Cabinet Council, the National Legislative Assembly's Budget Committee, and the all the members of the Legislative Branch.

3. I must state for the record that the PDC ministers and legislators, in the Cabinet Council and the National Legislative Assembly, respectively, agreed to establish the budget and the corresponding allocations.

4. I must state for the record that at no time did Government and Justice Minister Ricardo Arias Calderon or his fellow party members object to the policy adopted by the government on the economic plan or on matters related to the foreign debt.

5. I must state for the record that the Comptroller General's Office had no role in the preparation of the budget and did not participate either in its approval, except for matters related to the Comptroller General Office's budget. The Comptroller General's Office is simply tasked with overseeing the handling of public funds.

6. I must also state that I support the policy drafted by the president and the planning and economic policy minister and endorsed by the Cabinet Council and enacted into law by the Legislative Branch.

7. I must state the Comptroller General's Office is not empowered to vote at any of these entities, although the comptroller general has supported these decisions.

Therefore, those that did not voice their opinions at the appropriate time cannot express ill-timed dissenting views. The country would be glad to receive an explanation of why you voted one way and now have another opinion. The time has come for politicians to set aside general remarks and ambiguities on the economic plan and the foreign debt and define their stance on these matters. Everybody is interested in learning what criteria and principles inspire the PDC on the matter of the public debt.

Comptroller General Ruben Dario Carles

Lack of Unity Among ADOC Parties Noted

PA0604172591 Panama City EL SIGLO in Spanish 5 Apr 91 p 4

[Unattributed editorial: "Division Within Alliance Consolidated"]

[Text] The people's statements about the ties which served as the basis for the Civic Democratic Opposition Alliance [ADOC] during its long and hazardous campaign against the military regime have been contradictory since the beginning. Certain groups state that the unity which gave an undeniable strength to the union is still the same, but others say that the elements which previously served as an iron-clad structure to the groups that joined the task of abolishing the previous regime—to pave the way for democracy, freedom, and justice—are becoming weaker every day.

The two groups have been right at one time or another during the months that the current regime has been in power—that is, if you base your judgement on the different forms of behavior adopted by leaders of each and every party which comprise the government leadership.

Nevertheless, recent events prove that—far from consolidating the alliance—the atmosphere which prevails within the ADOC is a division verging on a definite rupture. Not even the foiled attempt carried out on Monday 1 April has managed to diminish the increasing division which affects the group. Quite the contrary, those who left the meeting used the opportunity to make statements and to urge the parties to give up the negative tactics that have affected their group's image. This provoked an immediate reaction from the group which was mentioned by the speaker—a reply that was not issued in a tone that could be described as conciliatory because it was full of charges.

Events lead to a predictable ending. This can be surmised from the way in which the Christian Democratic Party president, first vice president of the Republic, and minister of government and justice has been treated. He has been received at the Palace of the Herons as if he were the most dangerous enemy of the regime and the president.

In fact, both the government and justice minister's bodyguards and the high-ranking official, himself, have been subject to the strictest search—including their bodies. This action, in the opinion of those who saw it directly or on television, does not correspond to a friend of the house, much less when the friend is a high-ranking official, leader of an ADOC party, and a leading figure in the government's structure.

This unusual action is not what one would expect in a meeting among friends, and evil-minded people thought that Minister Ricardo Arias Calderon's resignation and the PDC's separation from Dr. Guillermo Endara's administration would quickly follow. Since we have seen that the use of that word is forbidden in the current language, normalcy was restored after the Presidency issued a brief communique. According to smart observers of the national political situation, that normalcy is the one we are acquainted with—and it is marked by an increasing division within the ADOC.

Arnulfists See 'Slander Campaign' Against Leader

PA0604223291 Panama City LA ESTRELLA DE PANAMA in Spanish 5 Apr 91 pp 1, 24

[Text] The National Directorate of the Arnulfist Party [PA] has issued a resolution "strongly rejecting the slander campaign against PA President Jorge Pacifico Adames and his family."

The text of the communique reads as follows:

Communique: The PA's National Directorate, considering:

1. That a slander campaign has been launched against the personal honor of PA President Jorge Pacifico Adames;

2. That this slander campaign consists of reporting through some media the false news that Jorge Pacifico Adames has made undue use of a Chrysler vehicle, model New Yorker, with engine number 1C3BE6637KD597958, which the Directorate for the Recovery of State Property (DRP) seized from Colonel (retired) Theodoro Alexander;

3. That the falsehood of the report is proved by the fact that the aforementioned vehicle was insured by the DRP through Resolution No. 003 of 9 April 1990, which also appointed Pablo Quintero Luna, identification card No. 7-59-414, as the depositor of the vehicle. All this is based on Article 4 of Cabinet Decree No. 36 of 10 February 1990;

4. That the slanderers of our glorious PA now intend to extend their slanderous campaign to Jorge Pacifico Adames' closest relatives;

5. That ironically this campaign is being carried out by members of the Civic Democratic Oposition Alliance (ADOC); and

6. That Jorge Pacifico Adames is a member of an honorable Panamanian family and that his public and private past is above ill-willed statements.

Resolves:

1. To strongly reject the slander campaign launched against PA President Jorge Pacifico Adames and his family;

2. To state our resolve to defend our president, Jorge Pacifico Adames, his family, and other members of the PA, without affecting the legal actions that the affected persons might lodge for their honor's defense.

Issued in the city of Panama on the second day of the month of April of 1991.

Francisco Artola A., acting president; Hector Penalba.

Columnist Equates Endara With General Noriega

PA0604174391 Panama City LA PRENSA in Spanish 5 Apr 91 p 24A

[From the "In a Few Words" column]

[Text] My initial thought was that this government's foolishness has very little to envy of that of dear Manuel Antonio Noriega. Searching the first vice president and government minister, as he was entering the Palace of the Herons to attend a cabinet meeting, which was called by Endara himself, and on top of that, disarming his bodyguard, was unprecedented in Panama. This has not even happened in other world countries, not even in the wretched artificial nations of Africa, whose troubled political life virtually turns the "Scoop" or "Black Mistress" of Evelyn Waugh into history textbooks. We have broken all records.

I had already saved yesterday's column in the computer when I was briefed about this mess. Extensive experience predisposes one to believe any barbarity. It did not dawn on me or anyone else that the news could turn out to be false, and the vigorous reaction of the Christian Democrats seemed to confirm the news. As I returned to the editorial room I found out that this was a tempest in a teapot, bad intelligence. The truth is that the bodyguards of all ministers were disarmed.

I wonder whether this news went around the world. Imagine the scare of the foreign businessman who is planning to establish an industry in Panama. He reads in a newspaper that the vice president and government minister had to walk through an electronic sensor to be able to attend a cabinet meeting to which he was invited by Endara himself. That businessman would cancel his plans and order his advisers to find a more well-balanced country where the first lady limits her activities to heading the Red Cross and the presidential guard and does not use a uniform that is so similar to that of the SS.

While the Civic Crusade and representatives of ADOC [Civic Democratic Opposition Alliance] parties are trying to smoke the peace pipe, Endara tells everyone who is willing to listen to him that talks will go nowhere. Is it that he or those who think (without having the matter to do so) for him have already decided to break the alliance and rule exclusively with the plague of ants, whose implacable advance is already shaking the entire country?

Moreover, Cuchungo [Endara's nickname] seems bent on confirming the suspicions of most Panamanians and all foreign observers. If you do not believe me, read the statements he made to journalists which were carried in LA PRENSA yesterday. I will cite a paragraph of Zoila's article: "President Guillermo Endara said that he knows nothing about the details of a weapons and ammunition order placed for the Institutional Protection System, but assured that if that order was indeed placed, 'it was done with my support and backing.'" This reasoning reminds us of those that made Manuel Antonio famous. I have a headache.

Deputy Presidency Minister Criticizes PDC

PA0604140991 Panama City Circuito RPC Television in Spanish 1730 GMT 5 Apr 91

[Text] Deputy Presidency Minister Miguel Batista said this morning that the attitude of members of the Christian Democratic Party [PDC] is not the best because it affects all the parties which comprise the alliance.

[Begin recording] [Batista] It is a mistake to anticipate the 1994 elections and I believe that the legislators are making a great mistake, particularly the PDC legislators.

[Unidentified reporter] Has the alliance been a failure?

[Batista] No, no way. The alliance has allowed the country to live in democracy. The alliance has allowed us to overcome the economic crisis we had on 20 December 1989 and to achieve what we have today. The alliance has not been a failure, but it could become one if we continue to fight every day.

[Reporter] Must the PDC members leave the government?

[Batista] They must do two things. They must work within the parameters established by the law and the Constitution of the Republic. If they have differences, then they must discuss them in the cabinet, where they have a majority. Once an economic and social policy is approved, however, they should not try to misconstrue it in the media. The PDC legislators must understand that they are part of an alliance.

If they do not like the fact that we have purchased weapons, well, they can say this in a cabinet meeting and ask all the questions they want. They should not act like foolish kids and make statements about weapons being bought or about the Presidency of the Republic endorsing a rash arms buildup. Why? Because it is an irresponsible thing to do.

Today is the first time—in the one and a half years that I have been a member of this government—that I have had to say this. I have never wanted to go around saying these things but, a PDC legislator accused me of buying weapons in January. I said that in January 1990 I was trying to match tally sheets so that they could become legislators, because the country did not have an assembly. [end recording]

Endara Comments on Meetings, Public Force 3 Apr

PA0504205991 Panama City Circuito RPC Television in Spanish 2300 GMT 3 Apr 91

[Text] Panamanian President Guillermo Endara prefers that the discussions among the political parties center on political disagreements and not on topics that concern the national government.

[Begin recording] [Endara] I object to that, and I believe that if the commission [as heard] goes into topics that concern the government it will be heading to failure, it will be heading to failure [repeats himself], because it will then be going against the principles of governmental organization. I am not going to allow an organization parallel to the cabinet to begin to develop an economic policy.... [changes thought] I am not familiar with the request for weapons, as specifically reported today by the newspaper. If that information is correct, however, and I do not know if it is correct, it has been done with my support. [sentence as heard]

[Unidentified reporter] Mr. President, would that not be considered as somewhat militaristic?

[Endara] No, no, no. This is being done to take care of the presidential palace, so that precisely the center of power will never ever again leave the Presidency and revert back to the military garrisons. [end recording]

Concerning the advisability of providing greater resources for the Public Force [FP] instead of the presidential guards in light of the crime wave, Endara pointed out:

[Begin recording] [Endara] Perhaps more resources are justified, however, the presidential palace also needs resources to defend itself. Remember that when the Presidential Palace is protected against any attempted coup, democracy and the constitutional government are also defended.

[Reporter] Do you mistrust the FP, Mr. President?

[Endara] No, I trust the FP. I do not, however, trust certain individuals who are outside the FP but possibly have influence within the force.

[Reporter] How do you feel about the dimissal of 600 workers from the U.S. military bases, Mr. President?

[Endara] This is happening at a very unfortunate time as we are trying to solve the already very serious internal problem of unemployment. I would have preferred if our friends in the United States had delayed the dismissals, and had waited for a time when we were more prepared to adopt, adapt, and incorporate these excellent workers into the Panamanian labor force.

[Reporter] How about the possibility of providing a payment to the public employees rather than the 13th month bonus as it was done before?

[Endara] Unfortunately, we cannot consider that at present as we do not have the funds available. [end recording]

Continued U.S. Presence Urged; Benefits Noted

PA0704185091 Panama City EL PANAMA AMERICA in Spanish 7 Apr 91 p 4A

[Article by Tomas Cabal: "Hidden Truths"]

[Text] You bet they are leaving... and if they do not, we will throw them out! Still ringing in my ear is that "revolutionary" slogan frenetically chanted by the followers of General Manuel Antonio Noriega during nationalist ceremonies that sought to strengthen the Panamanian dictator's anti-U.S. campaign.

You bet they are leaving, according to our Pentagon sources, among the topics to be dicussed during the visit to Panama by General Colin Powell, chairman of the U.S. Joint Chiefs of Staff, will be the transfer of the strategic military command to Homestead Air Force Base in Florida. According to our sources, the transfer will be done in two phases: operational and logistical support units will be transferred to the Palmerola Air Base in Honduras, and the administrative units will be moved to Homestead. The Southern Command's division seeks to "save appearances" to protect the image of the Honduran Government. Our sources tell us that the Pentagon has already received the authorization to expand the physical facilities at Palmerola Air Force Base, where 1,200 U.S. soldiers are currently working.

The closing and transfer of the U.S. Southern Command, now located in Quarry Heights will take place in November 1992, based on the contingency plans prepared by U.S. strategists. This constitutes the first phase

of what will be the gradual withdrawal of U.S. forces, as stipulated in the Torrijos-Carter treaties.

The Southern Command contributes $300 million in goods and services to the Panamanian economy, in addition to hiring 5,000 Panamanians. The departure of 463 units and their families assigned to the Southern Command will constitute a harsh economic blow to Panamanians working there.

Diplomats and military analysts indicate that the failure of Soviet communism and the demilitarization of Europe has changed the world's military equation, making the defense of the American continent easier.

We do not understand why the current government alliance is reluctant to begin negotiations on the matter of the military bases when public opinion polls reveal that 70 percent of Panamanians want U.S. troops to stay in the country beyond the year 2,000. It would seem that our rulers are afraid of the ghost of Noriega, who continues to say from his Miami jail cell that he was ousted from power so that the canal treaties could be violated.

We agree with the majority of the Panamanian people that a decision as important as the stay or departure of U.S. military bases from Panama must be made in a sovereign manner through a national plebiscite.

Panama continues to offer an enormous strategic advantage that we can capitalize on by leasing one or more bases to the U.S. Army. This is not a question of starting a debate on the topic of sovereignty, but of Panama's sovereign decision to obtain the greatest geographic advantage from its major asset.

The U.S. bases must remain in Panama, not to defend the canal, since our authorities will perform that duty with an efficient national police, but as a result of a mutual agreement between the two countries.

We think that the negotiations must begin in Panama, and it would be prudent of the government to take advantage of the Gen. Powell's visit to say so. U.S. military bases in the Philippines are not there to protect the government of Corazon Aquino. They are there to project the United State's geopolitical presence in Southeast Asia. The same situation exists here in Panama. The U.S. presence must remain in this territory with Panama firmly in control. The argument that we can use those bases for economic development projects cannot withstand serious scrutiny. The Cam Rah naval base in Vietnam and the Guantanamo based in Cuba serve military purposes and can hardly be turned into economic development zones without huge collateral investments.

Just as we talked about the multisector zone, we must talk of the military bases. Let the gringos stay in Panama! ...provided they pay well, hire Panamanian employees, consume solely national products and services.... [ellipses as published] respect the rules for peaceful coexistence among nations. In the 21st century there will only be one superpower, and it is to the advantage of Panamanians to keep it as a partner.

Poll Says Endara's Popularity Fell 30 Percent

PA0604143991 Panama City EL PANAMA AMERICA in Spanish 5 Apr 91 p 6A

[Text] According to the latest poll conducted in Panama by the Interdisciplinary Consultant Office on Development [CID], a representative of Gallup International Research Institutes in Central America, the popularity of President Guillermo Endara's government has dropped by 30 percent.

According to the poll, the president's work received a minus 3 percent. This result was obtained from the difference between positive and negative opinions.

A poll conducted by the same firm in October 1990 gave Endara a favorable 27 percent, but now it has dropped to minus 3 percent.

The CID/Gallup poll was conducted between 19 and 26 March. A total of 1,207 people were surveyed, all of them Panamanian citizens. Of them, 607 live in Panama City's metropolitan area and 600 in the rest of the country. The poll's margin of error is approximately 5 percent.

The metropolitan sector registered the harshest criticism for Endara. Only 17 percent of the residents of this area have a favorable opinion of Endara's work. Thirty-two percent have a negative opinion and this acounts for the negative 15 percent.

The rating in the rest of the country is positive. 24 percent had a favorable opinion of Endara, while only 16 percent voiced a negative opinion, resulting in a positive eight points. The poll showed that the greater the academic level of the people surveyed the greater their dissatisfaction with the president's performance. Endara received greater support from the poorer sectors.

If the situation is critical for Endara, it is even more critical for his wife, First Lady Ana Mae Diaz. According to the poll, 49 percent have a negative opinion of her, while only 35 percent expressed support.

Ana Mae has been active in politics recently and even harshly criticized First Vice President Ricardo Arias Calderon.

It must be noted that mostly women had negative reactions to Mrs. Endara. Fifty-one percent of those polled have an unfavorable opinion about her, while only 31 percent referred to her work in positive terms.

Panamanians feel that the main problem the government has is a lack of coordination among ministers and, the second problem is Endara's lack of leadership.

Forty-two percent mentioned the lack of ministerial coordination as the key to all the problems the government faces, while 23 percent opined that Endara's lack of leadership is the biggest obstacle facing the executive branch.

Seventeen percent believes that the people need to be better informed about the government programs. Very few people, only 3 percent, believe that the situation is normal.

The poll showed that the Christian Democratic Party is the political group with the largest number of followers, receiving 13 percent. Molirena [Nationalist Liberal Republican Movement] was second with 11 percent.

The president's Arnulfista Party received 8 percent, dropping seven percentage points compared to the October poll.

The PRD [Democartic Revolutionary Party] was the fourth party in popularity, receiving 6 percent.

When Panamanians were asked if elections were held today which party would they vote for, their responses showed that the PDC and Molirena would be tied in first place with 15.6 percent. The Liberal Party would be second with 12.4 percent.

The PRD would be in fourth [number as published] place with 9.9 percent. The Labor Party received 7.5 percent; and the Peoples Action Party received 3.1 percent.

Second Vice President Guillermo Ford is the most popular political figure in Panama right now. Sixty-nine percent of the citizens have a favorable opinion of him. Compared with the October poll, however, his popularity has dropped by 6 percent.

Endara occupied second place with a 54 percent and Arias Calderon came in third with 47 percent.

Panama City Mayor Guillermo Cochez is the country's fourth political figure. He had a 40-percent approval rating.

What must be stressed with this article is that the only Panamanian politician to increase significantly in popularity was Carlos Ivan Zuniga, whose rating increased by 1 percent.

El Chorrillo Businesses Ask Endara for Answers

PA0704234591 Panama City LA ESTRELLA DE PANAMA in Spanish 7 Apr 91 pp 11, A18

[Report by Hermes Sucre Serrano]

[Text] The small businessmen of El Chorrillo are asking President Guillermo Endara to explain how the government used the $5 million that the U.S. Government gave to repay them for the loss of their businesses during the invasion on 20 December 1989.

"Mr. President, you must resolve our problems because you supported the invasion. While we were sacrificed by the U.S. bombers, you and your two vice presidents were on a U.S. base supporting the genocide perpetrated by our fatherland's invaders," states a note sent to President Guillermo Endara.

The affected businessmen said: "It would seem, Mr. President, that our current leaders have no social sensibility whatsoever. The U.S. invasion resolved their problems, but who is going to resolve the problems faced by those of us who were sacrificed? All of you have spoken extensively about democracy and human rights, but what has become of the human rights which you proclaimed?"

The businessmen explained that 15 months after the events in December 1989 their problems are still unresolved.

They said: "Meanwhile, we must look on as the government sells the idea to our fellow citizens that the problems of the small businessmen from El Chorrillo have already been resolved. How can you dally with human dignity when the Fundes [Foundation for Economic and Social Development] is attempting to profit from the suffering of humble people who made great sacrifices to acquire their small businesses?"

Argentina

Ambassador to UN Signs GATT Antidumping Code

PY0904020891 Madrid EFE in Spanish 1813 GMT 8 Apr 91

[Text] Geneva, 8 Apr (EFE)—In the name of his country, Juan Archibaldo Lanus, Argentine ambassador to the United Nations in Geneva, today signed the GATT Antidumping Code.

This code, which was approved in 1979 during the Tokyo Round of trade talks, regards the application of the GATT's Article No. 6 on antidumping and compensatory rights.

The countries that sign the Antidumping Code promise not to use practices that distort the prices of goods that are traded internationally.

Economy Minister Proposes Institutional Reform

PY0804015891 Buenos Aires BUENOS AIRES HERALD in English 6 Apr 91 p 5

[Text] (DYN)—The Economy Ministry has sent Congress a bill which aims to tighten up the implementation of the government's economic programme through a combination of monitoring, regulation of the budget process, and restrictions on public borrowing.

The key elements are as follows:

—In order to ensure closer monitoring of the fiscal accounts and economic policy, the State Comptroller's Office and the Accounts Court are to be abolished and replaced respectively by a National Comptroller's Office and a National Auditor General. Both will have links to Congress.

The former will operate within the executive to oversee government policy implementation. The latter will control budget, public debt, financial and state sector policy from outside the executive.

The government is also planning to create a coordinating body to integrate the various branches of government economic administration.

—The bill will tighten up fiscal policy by demanding a definite timetable for the consideration of each year's budget. The Budget Office will have to have prepared each year's budget by March 31 of the previous year. The budget bill will have to be presented to Congress by September 15, and passed by the legislature by December 15. If it is not passed by Congress it can be implemented, as is, by the executive.

—The government's ability to issue public debt will be restricted, such that government paper can only be issued to finance productive investment, to cope with cases "of obvious national necessity," or restructure existing obligations. It is thus prevented from using this source to finance current expenditure, and in all cases the sale of public debt must be approved by Congress.

Autumn Plan Begins With Free Convertibility Law

PY0504145491 Buenos Aires BUENOS AIRES HERALD in English 1 Apr 91 pp 1, 7

[Text] (DYN)—The bold economic scheme contained in the so-called Cavallo II Plan will be put to test as from today, with the coming into effect of a law that makes the austral freely convertible against the US dollar at a rate of 10,000 australs to the dollar, in what is seen as a last-ditch effort by the government to generate stability and social peace and gain credibility before next September's election.

The new programme starts off with significant hikes in utility rates for home services but at the same time favours important discounts for major customers and promotes an ambitious plan to stop index-linking of rents, prepaid health care, private education and insurances with the aim of keeping down inflation.

Convertibility will make it possible for Argentinaes to maintain savings accounts in dollars and take foreign currency credits.

All of these major changes are included in the second stage of Economy Minister Domingo Cavallo's plan. By mid-April the minister is scheduled to visit Japan, Germany and the US in a bid to summon support for his programme.

As of midnight last night, a new scale for import tariffs is also being implemented within the framework of the government's efforts to lower domestic trade prices.

However, provisions in Cavallo's plan establish a five percent increase in power rates for residential consumers against reductions of 10-15 percent for power-intensive users as well as 15 percent less for industrial consumers of gas against a 10-percent increase for home users. Postal, railroad and water rates will also go up 25 percent, whereas YPF [Government Oil Deposits]-supplied petrols go down 1-2 percent and fuel oil and kerosene 5-6 percent.

A prerequisite for the success of Autumn Plan is securing fiscal surplus and in this respect the economic team will try to optimize tax revenue and tighten controls to prevent tax evasion and business failure to contribute to pension funds.

Other tools to help the Treasury strike a favourable balance and eliminate the fiscal deficit are revenues on account of privatization of state enterprises and the launching of domestic debt capitalization bonds whereby private interests will be able to buy unused assets from the state.

Although the Economy Ministry has denied that the "dollarization" of the Argentine economy would be

taking place. Cavallo's package affords obvious advantages for those who have dollars.

In the first place, the new law scraps provisions in the Commercial Code to the effect that obligations defined in foreign currencies must be paid in the national currency, thus making it possible now to pay debts in whatever currency was agreed upon. In addition, the idea is to channel "Argen-dollars" (dollars deposited in banking institutions—some three billion) into the credit market.

Both convertibility and de-indexation were prescribed in Law 23928, passed by the Lower House last Wednesday [29 March] morning, and quickly proclaimed by executive decree, which further specifies implementation mechanisms.

Cavallo's new economic programme was strongly endorsed yesterday by the Professional Economic Sciences Council, which hailed it as "an historic move towards monetary stabilization." The council's monthly report focused entirely on the plan, saying it was "perhaps the final attempt to avoid the full dollarization of the Argentine economy."

Menem's Sister-in-Law Begins Leave of Absence

PY0804182191 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1334 GMT 8 Apr 91

[Text] Buenos Aires, 8 Apr (NA)—Presidential Audiences Secretary Amira Yoma today officially began a period of leave of absence after President Carlos Menem asked her to take leave from her duties while he is traveling abroad.

Today Amira did not go to work at Government House where Vice President Eduardo Duhalde took over the duties of the chief executive shortly after 0830 local time today. The vice president had repeatedly stated that Amira Yoma should "leave the job" until the court finishes investigating the laundering of drug money.

Before leaving for Germany, President Carlos Menem said: "My in-laws have nothing to answer for," adding that his sister-in-law had appeared before the court "on her own" and denied that the police had raided her home.

The president had, however, asked his audiences secretary "to take a rest" while he was away.

According to rumors at Government House today, upon his return from Germany, the president plans to have his brother Munir, who is currently presidential activities coordinator, handle presidential audiences.

Brazil

Preliminary Debt Agreement Concluded With Banks

PY0904030291 Brasilia Domestic Service in Portuguese 2200 GMT 8 Apr 91

[Cristina Indio do Brasil report from the Economy Ministry]

[Text] Today in New York Brazil and the Creditor Banks Advisory Committee signed a preliminary agreement on payments overdue through 31 December 1990.

According to acting Economy Minister Joao Maia, the agreement involves $8 billion plus interest; 25 percent of this total will be paid in cash as long as the amount does not exceed $2 billion. The other 75 percent [words indistinct] will be transformed into bonds that will be issued and delivered to the creditor banks when the agreement on the mid- and long-term debt is concluded.

The bonds will have a 10-year redemption period, with a three-year grace period, and increasing amortization. The bonds can be used in the privatization program and in other debt conversion programs that will be created.

Of the amount to be paid in cash, 45 percent will be paid to the banks when the agreement on overdue payments is concluded. The other 55 percent will be paid in equal monthly installments through December 1991.

Acting Economy Minister Joao Maia said that this agreement conforms to the government policy on foreign debt negotiations.

[Begin Maia recording] We believe that we have overcome a very important initial hurdle.

This negotiation was very difficult at the beginning, and it took eight months. This negotiation respects the basic terms that our country established from the beginning, however; that is, not to commit the reserves of a flux [preceding word in English] of funds commensurate with fiscal austerity [as heard] and to fix the interest rate during the first years so that our country does not become so vulnerable to the fluctuations of our international [words indistinct]. [end recording]

The agreement must now be approved by the Senate, as provided for by the Constitution. After this, the government will begin to negotiate the mid- and long-term debt.

Collor Hails Negotiations

PY0904032091 Brasilia Domestic Service in Portuguese 2200 GMT 8 Apr 91

[Luiz Augusto Mendonca report]

[Excerpt] President Fernando Collor has said that the perseverance, persistence, and ability of the economic team responsible for the negotiations with the international creditors and with whom the the team managed to

reach in New York a partial agreement on the servicing of the foreign debt were admirable.

This information was supplied by Education Minister Carlos Chiarelli after participating this Thursday [as heard] at Planalto Palace in an education-sector meeting. [passage omitted]

Agreement 'Very Good Deal'

PY0904034691 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 Apr 91

[Paulo Henrique Amorim report from New York]

[Text] Brazilian foreign debt negotiator Jorio Dauster said today that Brazil's cash payment portion is commensurate with our country's level of reserves. In addition, he considered it a good result to have managed to link overdue payments with the debt's overall negotiation; that is, it has become possible to find a permanent solution to the problem.

[Begin Dauster recording] No one asks in the beginning what he or she expects to get. (?Also) the way in which the banks raised their requirements was very different from what we have here. Nonetheless, what we have here is still a very good deal for Brazil. [end recording]

After 13 months of negotiations, this agreement was reached within the framework proposed by Brazil; that is, just pay the foreign debt without sacrificing our country's development. Brazil will pay in accordance with its ability to pay.

The agreement also reintroduces Brazil into the international financial community, and soon Brazil will be able to reestablish normal relations with the IMF, the International Development Bank, and the Paris Club.

This agreement has also a very special flavor. It handcuffed U.S. Treasury Under Secretary David Mulford, who recently specialized in creating for Brazil embarrassing situations in the international financial community. As of today, his services are no longer necessary. [as heard]

'Inexperience' Caused Loss of Japanese Loans

PY0804234891 Sao Paulo FOLHA DE SAO PAULO in Portuguese 7 Apr 91 p 7

[Text] Brasilia—The inexperience of Economy Minister Zelia Cardoso de Mello's advisers in negotiating with the Japanese has caused the government to lose $2.5 billion in Japanese official and private loans that were going to be granted without linkage to an IMF agreement.

FOLHA had exclusive access to a document from Japan's Ministry of International Trade and Industry (MITI) proposing a $1-billion loan to finance Brazilian exports. The loan was to be granted by a Japanese "trading" [preceeding word in English] consortium.

The Japanese Government was willing to liberate another $1.5 billion for projects that were previously approved by the Eximbank and the OECF (Overseas Economic Cooperation Fund) if Brazil would only pay $200 million on the $860 million on back interest that the country owes on official loans.

The Japanese businessmen's proposal was to leave the arrangements in the hands of the Marubeni "trading" company which fulfilled the same role in a similar operation involving $350 million with the Mexican Government. The MITI would have been responsible for the insurance on 90 percent of the loan.

The project has been sitting at the Economy Ministry which did not continue the negotiations. The Japanese businessmen's disposition on letting the Marubeni "trading" company coordinate the financing operation ran up against the opposition of some of Minister Cardoso's advisers.

Japanese authorities did not have a chance to make a concrete proposal because the Economy Ministry vetoed Marubeni's participation in coordinating the financing of $1 billion for Brazilian exports. After this the project was shelved and forgotten at Minister Cardoso advisers' office.

Government Lifts Suspension of Coffee Exports

PY0804174891 Madrid EFE in English 1735 GMT 8 Apr 91

[Text] Brasilia, April 8 (EFE)—The Brazilian Government lifted its two-week ban on coffee exports Monday [8 April], after the surprise suspension on registrations caused soaring prices on the international markets and havoc among the country's coffee producers.

From Monday, exporters were able to obtain from the government the registrations they need to export supplies. Brazil is the world's biggest coffee producer, with almost 30 per cent of the world market, and every year exports some 19 million 60 kg bags.

Exporters were predicting Monday that the end of the suspension would bring a small fall in the international price of coffee, but reckoned the markets would stabilize by the end of the week.

The government imposed the ban on March 21, amidst speculation that the move was linked to a return to the 74-nation International Coffee Organization (ICO), which Brazil quit in July 1989 in a row over quotas and prices.

But the government said Monday that the decision on whether Brazil was to return to the ICO would be announced during the London-based organization's annual meeting in September and not before.

An agreement to return to the ICO would force Brazil's producers to abide by prices and export quotas set in the International Coffee Agreement.

Brazil's acting economy minister, Joao Maia, said he did not believe that news of the ban had been leaked hours before the official announcement, nor that there had been insider dealing on the New York coffee futures market, which closed for the day three hours before the March 21 suspension was declared.

A three-fold rise in registration applications shortly before the announcement, and news of huge gains for some Brazilians on the New York market, fueled charges that high-ranking officials had leaked advance information to their friends, or had acted on it themselves.

Government Launches Plan To Protect Children

PY0704014291 Rio de Janeiro O GLOBO in Portuguese 5 Apr 91 p 4

[Text] Brasilia—Calling for the mobilization of the entire society to overcome what he described as a "dramatic situation," President Fernando Collor yesterday launched the National Plan to Fight Violence Against Children and Adolescents. The plan will be implemented by a national council linked to the Health Ministry. The establishment of this council, which will guide government actions in this field, still depends on the approval of a draft bill the president submitted to the National Congress yesterday.

The government's decision was announced during a ceremony at the Justice Ministry to open the third meeting of the National Council for Public Security. President Collor expressed his indignation over the cases of violence against children and adolescents that have been registered in the country. Commenting on the situation, which has also been denounced by national and international organizations, the president condemned "the irrational mobs that want to take justice into their own hands" and promised that they will be severely punished.

President Collor also confirmed his intention to comply with the terms of the Statute on Children and Adolescents and urged everyone to unite to create ethical and modern methods of preserving public security.

The bill creating the National Council of Children and Adolescents Rights also establishes the National Fund for Children and Adolescents. The plan that was launched yesterday will be incorporated into the Children Ministry Project. Specific resources granted within the framework of the Plan of Objectives—totaling 12.1 billion cruzeiros—have been assigned to the fund.

A surprising incident occurred during the ceremony at which the plan was launched: As he sat down, the president hit his knee against the table and cursed. The three microphones in front of him loudly amplified the curse.

* Goals, Prospects for 'Big Project' Reviewed

91SM0259A Sao Paulo VEJA in Portuguese 20 Mar 91 pp 26-28

[Text] President Fernando Collor went on nationwide television at 0800 last Thursday to let us know that the government is not standing still. He launched the Projetao—or "Big Project"—onto a country where 150 million people are already living with the Big Tax Bite, the Big Fund, and the Big Monthly Payment. The official name of the document (Brazil: A Plan for National Reconstruction) was inspired by the PRN, the acronym of the National Reconstruction Party under whose banner Collor ran for president, but the nickname more aptly applies to the document itself, huge in terms of both intention and size. The Projetao is a 77-page volume divided into 12 chapters and deals with almost everything: the economy, day care, health, science, fisheries, technology, the government, education, capital, labor, multinationals, children, crime, foreign policy, sports, civil servants, culture, the armed forces, and the Indian tribes—to whom he promises the equivalent of almost 10 percent of the nation's territory.

The document includes some oddities alongside good ideas but its thrust is consistent with the ideas Collor has advocated since before he took office. The presidential document is liberal, it rebels against statism, lauds the free market, and demonstrates a concern for the "social issue"—the appalling misery that engulfs whole blocks of the Brazilian population. More importantly, the proposition sets out in black and white some of the government's intentions, such as the idea of ending the petroleum monopoly, retirement based on length of service, and civil service tenure (see box).

18 Priorities

"We are going to have shorter lines, fewer delays, and less indifference," said Collor, referring to the country as envisioned in the Projetao. "We are going to have more Brazil and less Brasilia." Coordinated by Secretary of Economic Policy Antonio Kandir, the Projetao is the creation of a committee, the product of the efforts of the 12 brains that compose the Collor Cabinet. The document, which took three and a half months to prepare, never tires of repeating what it is and what it wants to accomplish. The word "program" and its equivalents, such as "project" and "plan," appear 123 times—or almost twice on each page. The favorite word among the middle echelons of Brazilian politics—"modern" and its variations such as "modernity" and "modernization"—appears 63 times. One of the defects of the Projetao is that is does not really explain where the modernity plan begins. Eighteen different priorities are defined in its 77 pages, making it hard to figure out which is the top priority.

The administration faces a new, immense, and urgent task ahead if it is to get the Projetao off the ground. In his first year in office, Collor made only minimal efforts to establish a dialogue with Congress, listen to leaders of

civilian society, and conclude long-term political accords. The most he did was to set a few stages for the development of a "national understanding," but he got nowhere. With the Projetao, he has taken a new tack, presenting it as a proposal that is open to amendments, additions, and reformulations. The task will be immense because Planalto Palace, which has won its principal battles in Congress by resorting to provisional measures, will have to pass 47 bills of law, nine decrees, and two bills of complementary law. In terms of the Constitution, the suggested changes total only seven, in a document of more than 300 articles. But those seven changes affect crucial points: civil service tenure, the petroleum monopoly, etc.

"The Constituent Assembly met only a little more than two years ago, but it seems likes 20 years ago," said Collor in an interview published by JORNAL DO BRASIL last Friday. "The world has changed a lot in the meantime." In that same interview, the president floated the idea of holding a plebescite in the latter half of this year, to give the voters a chance to choose whether to maintain the presidential form of government or opt for a parliamentary system. The Constitution schedules this plebescite for 1993, but Collor thinks it would be better to hold it now. "The plebescite could take place in October, September, or whenever you want. The important thing is to decide what kind of government we should have, before going on to revising the Constitution," the president said. Since Collor has already stated several times that he is supports a parliamentary system, there is implicit in his rationale the argument that it is impossible, under the presidential system and the present Constitution, for the Projetao to become a reality.

No Consensus

"I think this project represents a big step forward by the government," says Rio de Janeiro Deputy Francisco Dornelles of the PFL [Liberal Front Party]. "To the man in the street who is worried about being able to buy groceries at the end of the month it doesn't mean anything, but for people who are thinking about the crisis in this country it is at least something. Things are so bad that we didn't even have anything left to argue about." Since last October, when Collor Plan I began to take on water, the most illustrious minds in this country have nursed a common complaint—that no one in either the administration or the opposition has been able to design a plan for the nation that had something to offer both the forgotten farm worker living in the middle of the woods and the guy at FIESP [Sao Paulo State Federation of Industries] with the three-piece suit who sends his dollars to secret bank accounts in Switzerland. Now there is the Projetao. Too bad it was not adopted on the very first day of the new administration, and that Collor's team did not let the contents of this document guide its actions, instead of relapsing frequently into statist interventionism.

In terms of form, as an example of Portuguese prose, the Projetao is an attack on the language in which Camus wept during his bitter exile. Written by dozens of hands, none of them with any gift for the language, the text uses "desporto" instead of "esporte" for sports, defines modern orientation as "rejection of any sort of dogmatism," and mixes techno-ureaucratese with college term-paper language in every paragraph. Reading the Projetao is sheer torment. As for content, however, the Projetao clearly indicates the road the country should follow. It is not one of those proposals that tries to please everyone, taking one idea from the statist's handbook and another from the privatizer's manual, or that plans to cut taxes while at the same time increasing government spending and abolishing the deficit. It is one of those rare Brazilian political documents that does not seek shelter under the umbrella of consensus.

The facial features of the Projetao are well defined. On the subject of the economy, it states that we need less government, less protection for domestic companies, and a more open approach to foreign capital. In the social area, it calls for big cuts in government spending. It seeks less bureaucracy in daily life. In the rationale of the Projetao, the state will be able to retreat in the economic and social realms because private enterprise will be able to fill the gaps, and with better results. For example, the plan calls for the abolition of all government-guaranteed monopolies, leaving only the classic functions of maintaining public order, issuing currency, and a few others. The Projetao would clear the way for private companies to operate highways, electric power systems, telephone lines, ports, and oil refineries. In the hope of attracting outside investments, which fell off sharply during the past decade, Collor wants to treat multinational companies the same as domestic companies, without major distinctions—a posture not even found in developed countries, which maintain market reserves in several branches of the economy.

Deceased Retirees

The document calls for a debate on one of the sacred cows of the Brazilian State—civil service tenure. The plan is to give the government the freedom to hire and fire whomever it wants. When the issue of civil service employment was debated in the Constituent Assembly, for example, the idea of abolishing tenure never even reached the floor. The debates centered on the possibility of extending those same tenure rights to the private sector, an idea that was defeated by a large margin. Collor's Projetao is an effort to turn that discussion upside down.

The Projetao also seeks to abolish workers' rights to retire after 35 years of service. Brazil is one of the few countries in the world where someone who started working at the age of 15, for example, can sit back and relax at 50. Collor's proposal would permit retirement only after an individual reaches the age of 65. This change would staunch the hemorrhage of funds from the Social Security system and make it possible to pay bigger

pensions in the future. It is thought that under a 65-year limit, about seven million Brazilians would be entitled to pensions, less than half today's number. However, according to projections from the last census—taken in 1980—the life expectancy in Brazil ranges between 60 and 65 years. If the chapter in the Projetao on retirement were to become law, a good many Brazilians would die before they received their first monthly check from the National Social Security Institute, the INSS.

The first president to come up with an opus like the Projetao was Juscelino Kubitschek, who launched his "Goals Plan" in 1956. Emilio Medici handed down the First National Development Plan, or PND; Ernesto Geisel announced the second; Joao Figueiredo, the third; and Jose Sarney, the fourth. The most heavily criticized of these turned out to be the best. JK's Goals Plan was the butt of jokes, and the experts were sure that it would have catastrophic results. Juscelino's administration and his Goals Plan, however, are remembered fondly by both their erstwhile opponents and allies.

Sometimes projects considered technically correct do produce good results, as was the case with Geisel's second PND. In most cases, they yield nothing at all. The Medici, Figueiredo, and Sarney plans have all been forgotten. We will not know what will become of Collor's Projetao until 15 March 1995, when Collor will hand the presidency over to his successor. Even if Collor wins all the battles in the Congress and the Projetao is approved in full, there is nothing to guarantee that the country will improve—even if, in general, the changes proposed by that document are the right ones. The administration may well open up the economy and create the conditions for privatizing state corporations—but we will have to see whether private firms and foreign capital will encounter a favorable investment climate. If not, the Projetao will have been only a stack of papers, not a solution.

[Box pp 26-27]

What the Government Is Trying To Accomplish Under the Projetao

Education Now: Public universities, where the wealthiest students are enrolled, are tuition free.
What the Government Wants To Do: The idea is to change the Constitution to force those students to work for government agencies during their final year of study, as a way of repaying the government.

Tenure Now: A civil servant can only be fired by court decision, and after an administrative inquiry.
What the Government Wants To Do: Collor wants to change the Constitution so that public servants can be dismissed without a court order. Civil servants who deal with the public are guaranteed their jobs.

The Infrastructure Now: Drilling for petroleum, and telephone and electric power services, are government monopolies.

What the Government Wants To Do: The Projetao calls for slimming down the Government, making room for domestic and foreign private companies to operate in these sectors if they wish.

Retirement Now: Men can retire after 35 years of working, and women after 30.

What the Government Wants To Do: The plan is to end retirement based on length of service. The government wants to create a special retirement system for better paid workers who are willing to pay more.

Unions Now: No more than one union for each occupational category may exist in each municipality.

What the Government Wants To Do: The intention is to permit more than one union per category in each city—which also would require changes in the Constitution.

Exports Now: Federal and state taxes are levied on manufactured products intended for export.

What the Government Wants To Do: The administration wants to give these products special treatment with lower taxes. At the same time, however, it wants to cut the subsidies granted to certain sectors.

Housing Now: Almost 70 percent of government financial aid for home ownership goes to families with monthly incomes ranging between five and 12 minimum wages.

What the Government Wants To Do: Collor wants the states and cities to join in financing housing construction and he plans to loan out 80 percent of the money in the FGTS [Length of Service Surety Fund] to workers who earn up to five minimum wages.

Agrarian Reform Now: The government spends more on farm production subsidies than on agrarian reform.

What the Government Wants To Do: The plan is to use most of the funds earmarked for agriculture for agrarian reform. The administration also backs an increase in the property tax on rural land, to discourage speculation.

Foreign Capital Now: Domestic companies have easier access to credit and face less bureaucracy than foreign companies.

What the Government Wants To Do: According to the Projetao, the market needs to become more hospitable to foreign companies, which ought to have the same rights as Brazilian firms. Here too, the Constitution would have to be amended.

Agriculture Now: Only the government is allowed to finance farm production, and the Bank of Brazil is the principal source of credit.

What the Government Wants To Do: The administration wants to allow agricultural cooperatives to set up their own credit banks. It also plans to make the ICMS [sales tax] rate on farm products the same in all Brazilian states.

Reportage on Foreign Minister's Visit to UK

W 40804194391

For reportage on the visit by Foreign Minister Francisco Rezek to the United Kingdom, including reports on his talks with Tristan Garel-Jones, British deputy secretary of state for foreign and commonwealth affairs, please see the United Kingdom section of the 8 April West Europe DAILY REPORT and subsequent issues.

Chile

Army Reference to 1973 Aylwin Remark Creates Stir

PY0904022691 Santiago EL MERCURIO in Spanish 29 Mar 91 p C3

[Excerpts] Enrique Correa, Chilean minister secretary general of government, has considered "an affront" the inclusion, in an official report issued by one of the Armed Forces branches, of remarks made by the President Patricio Aylwin on the situation in 1973.

Correa has termed "unfortunate" the inclusion in the Army response to the Rettig Report remarks President Aylwin made in October 1973.

He said that it was unnecessary, and he added: "The truth is that we would have liked such an offense to the president of the Republic to have been taken out of an institutional statement."

He was thus referring to the Army statement, read by General Augusto Pinochet. On explaining testimony that justifies the state of war in which the Army was involved in 1973, the report cites remarks President Aylwin made to the newspaper LA PRENSA in October 1973. [passage omitted]

Correa said yesterday in this regard: "We really consider regrettable the inclusion of those remarks in an institutional statement, because an important pillar of the state of law we have finally achieved is respect for the president of the Republic."

He added: "This respect is particularly to be expected from the state institutions, and within the state, particularly, from those institutions which by their nature are professionals, arranged hierarchically, and subordinate to the civilian power that stems from the citizens' desire." [passage omitted]

Retired Officer's Corps Criticizes Rettig Report

PY0904003091 Santiago EL MERCURIO in Spanish 28 Mar 91 p C3

[Text] In a communique released yesterday, the corps of retired Chilean Air Force generals made public its critical view of the "Truth and Reconciliation" commission report.

The communique states that the Armed Forces intervention on 11 September 1973 "cannot be fully understood without referring to the serious economic, social, political, and institutional situation prevailing in the country at that time."

It adds that the Rettig Report makes "weak reference" to that historical event, with no more than 4 percent of the overall six volumes that make up the report.

The communique then refers to the situation prevailing in the country during that period. "It is appropriate to remember that the Popular Unity government assumed power with a trade surplus of $78 million. In September 1973, the balance of payments was suffering a deficit of $438 million. Furthermore, during that period the country lost all its currency reserves that in 1970 amounted to some $700 million."

It also recalls that "shortages in Chile reached such levels that the president himself announced on 4 September 1973, a few days before the military uprising, that the country had only enough flour for three days."

Regarding the social aspect, the communique says that "the progressive polarization and intransigence of political stances of the civilian sector, that began in the 1960's, peaked during the Popular Unity government."

The retired generals' communique goes on to say that the government of that period had a great responsibility for the climate of violence and hatred, the smear campaigns, and the confrontation that prevailed, and "it is therefore unjust to blame those who were called to put an end to this situation."

Referring to the constitutional order, the communique states that in practice the Popular Unity government had by far surpassed the limits of the state of law.

The retired Air Force generals state that human rights "acquired great importance in Chile only after 1973, as a result of the massive exploitation of this matter by interested and compromised sectors."

It adds: "Through an intensive political and propaganda campaign, these sectors appropriated to themselves the idea of human rights and their connotations, hoisting them as a banner of struggle in cases and countries, as in Chile, in which the circumstances were not favorable to them. This campaign makes it appear that only after 1973 were human rights violated in Chile."

The communique also refers to the need to use force "when peaceful coexistence ruled by reason is abandoned," with the purpose of restablishing the order that was in effect. The communique defines this situation as "a state of exception, within which it is to be expected, though not desired, that exceptional events which do not usually occur in a normal situation would also take place."

It adds that in a situation of this type, "the Armed Forces represent the single and exclusive force within the State,

and are the ultimate resort the state has to protect its integrity and sovereignty, when other instruments have not been successful."

It goes on to say that "the Armed Forces are trained to be employed 100 percent and as effectively as possible, to achieve the objectives given to them. It is not appropriate to employ this last resort in a restricted or moderate manner."

The communique also refers to the irregular nature of the forces that opposed the action of the Armed Forces, "which are trained to confront regular and foreign adversaries. By regular adversary we understand that which in its development and outcome is governed by to the International Humanitarian Law conventions or the Geneva Convention."

It adds: "Obviously this was not the adversary that appeared before and after 11 September 1973 in Chile," but one that was "an irregular adversary, whose activities were not governed by conventional norms accepted internationally, but that demanded the fulfillment of norms, but through third parties, when it was up to the Armed Forces to fulfill them."

The communique says that because of such adversaries, "the occurrence of events not common in regular wars was inevitable."

The communique concludes by saying that "concerning events of the past, and assessing the situation that today is affecting the healthy coexistence between the Armed Forces and the civilian society, the retired Chilean Air Force generals express their sincere hope for a real reconciliation among Chileans. We hope this reconciliation will be achieved through a complete and objective truth that will leave no room for misinterpretation or misuse, so that it will beome a historical truth that will serve as example and a source of meditation for the future."

Study Group on Civilian-Military Relations Formed

PY0804223291 Santiago Radio Chilena Network in Spanish 1700 GMT 8 Apr 91

[Text] Today at noon politicians from various sectors formed a group of reflection on civilian-military relations. The members of this group are Christian Democratic Party [PDC] Senator Gabriel Valdes, National Renewal [RN] Senator Ignacio Perez Walker, Socialist Party [PS] President Jorge Arrate, and UDI [Independent Democratic Union] Deputy Andres Chadwick. They asserted that this initiative is part of a civilian effort to encourage cooperation and friendship among Chileans engaged in different activities. They also denied that with this (?initiative) they are seeking the democratization of the Armed Forces. Here is Gabriel Valdes:

[Begin Valdes recording] No one here is raising the issue of what is commonly known as the democratization of the Armed Forces. This is an extremely unfortunate expression, and it does not reflects our purpose, nor can one talk about that because it calls up images that are totally distorted.

The Armed Forces are professional and have a hierarchy; if not, they are expelled [as heard]. [end recording]

Carlos Caceres, a former interior minister of the military government, [PDC Senator] Arturo Frei Bolivar, [PS Senator] Jaime Gazmuri, and [RN Senator] Sebastian Pinera are also members of the group of reflection on civilian-military relations.

The Liberty and Development Institute [Instituto Libertad y Desarrollo] and the Development Studies Center [CED] will advise on the handling of topics of academic nature.

According to the politicians, the Armed Forces will be called to participate, using the Defense Ministry as a contact for each institution to appoint a representative for this reflection.

The first meeting will be held at the CED offices within a week.

RN Supports Otero's Right To Take Guzman Seat

PY0804183591 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 8 Apr 91

[Text] The political commission of the National Renewal Party [RN], following the instructions of the party leadership, has disclosed the unanimous decision that was reached by its members on 2 April to support RN Vice Chairman Miguel Otero's constitutional right to take the congressional seat of recently murdered Senator Jaime Guzman.

The RN has thus ended the debate on this issue with the UDI [Independent Democratic Union].

Francisco Bulnes, on behalf of the RN political commission, disclosed a declaration terming the UDI request that Otero give up his constitutional right as bizarre, unjust, absurd, and pointless because it only creates a tense atmosphere in the center-rightist sector.

The document stresses Otero's full right to take the seat in the Senate as established in the Constitution that was approved by all political sectors and the great majority of the citizenry during the plebiscite on constitutional amendments held in July 1989.

UDI Wants Guzman Seat

PY0604152491 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 6 Apr 91

[Excerpt] The UDI [Independent Democratic Union], through UDI Deputies Andres Chadwick and Pablo Longeira, has stated that Miguel Otero will not be a senator until he is sworn in.

The two deputies stated that they will continue to insist on their request for a noble gesture by National Renewal Vice President Miguel Otero giving his Senate seat to a candidate appointed by the UDI. [passage omitted]

RN Leader Receives Anonymous Death Threat

PY0804193591 Santiago Radio Chilena Network in Spanish 1700 GMT 8 Apr 91

[Excerpt] National Renewal Party [RN] Senator Sergio Onofre Jarpa today received anonymous death threats.

A white envelope addressed: Messrs. National Renewal was received at the RN headquarters. Inside the envelope was a photograph of Senator Jarpa with a red cross painted from corner to corner.

RN leaders immediately voiced their concern over this paper clipping that was received early this morning at the party headquarters.

RN secretary general Felix Viveros confirmed the report, giving details of it to the media. He noted that the RN has asked for protection for Senator Jarpa because this threat is very similar to the pamphlet received by recently murdered Senator Jaime Guzman. [recorded passage omitted]

Different Interpretation of Amnesty Law Noted

PY0604155291 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 6 Apr 91

[Excerpt] The Supreme Court of Justice has given cases that fall under the 1978 Amnesty Law a new course according to attorney Alfonso Insunza, referring to a case involving the illegal burial of eight people in Calama.

Insunza disclosed details of a ruling by the 4th Bench of the Supreme Court of Justice ordering an investigation into the aforementioned case, which had been discontinued due to the Amnesty Law. The case involves the illegal burial of the following people: Bernardo Cayo, Jose Saavedra Gonzalez, Jorge Hollos Salazar, Luis Gaona Ochoa, Geronimo Jorge Carpanchay Choke, Wilson Alfredo Munoz, and Cerbando Hidalgo Diaz.

According to Insunza, the significance of this ruling lies in the fact that it represents a change of opinion in the sense that the Amnesty Law does not prevent investigations. It represents a change in the Supreme Court decision of last August and September stating the opposite.

Insunza said that this is the first Supreme Court ruling after he submitted a request to the president of the Republic that the Amnesty Law be interpreted differently; that is, that the cases be investigated and not merely closed.

It should be pointed out that the Supreme Court, in response to a request by President Patricio Aylwin, recently instructed appellate courts throughout Chile to expedite, adequately handle, and investigate the causes of the cases mentioned by the Truth and Reconciliation Commission report.

Minister Declines Comment

PY0804165791 Santiago Radio Nacional de Chile Network in Spanish 1100 GMT 8 Apr 91

[Text] The decision by the Supreme Court that opens the possibility of investigating individuals responsible for violations of human rights, and of identifying them before the application of the Amnesty Law, has not been commented on by any government authority.

Asked his opinion on the Supreme Court decision, Enrique Correa, minister secretary general of government and currently acting as interior minister, refused to make any comment.

Correa said: We do not comment on Supreme Court decisions whether we like them or not. We never comment. The Constitution prohibits me from making any comment.

He also refused to comment on the way in which cases involving violation of human rights are being handled.

Reportage on President Aylwin Visit to Europe

PY0804195091

For reportage on the 20-day European tour of President Patricio Aylwin, including reports on his talks with Spanish Foreign Minister Francisco Fernandez-Ordonez and head of the royal household Sabino Fernandez Campo, please see the Spain section of the 8 April West Europe DAILY REPORT and relevant sections of subsequent issues.

Colombia

Justice Minister Giraldo Discusses Ochoa Case

PY0804163391 Bogota Radio Cadena Nacional in Spanish 1257 GMT 8 Apr 91

[Report on interview with Justice Minister Jaime Giraldo Angel by Carlos Alberto Garzu in Bogota on 8 April]

[Excerpt] [Garzu] Justice Minister Jaime Giraldo Angel has denied a report by New York's NEWSDAY according to which there is a disagreement between the Colombian and U.S. Governments over the supply of evidence against the Ochoa Vasquez brothers, who are currently being held at the Itagui jail. The minister also described as unjustified the criticism by some criminal lawyers about the decree which regulates the law to end the backlog in the courts. Here are Minister Giraldo's remarks about the possibility that the Ochoa brothers will be freed because of lack of evidence.

[Begin recording] [Giraldo] First, it is not true that we are not carrying out the process to obtain evidence. The country has learned of the text of the memorandum of intention which was signed by the Colombian and U.S. Governments for the exchange of evidence in this regard. The memorandum established that the U.S. attorney general and the chief of the Legal Office of the Colombian Presidency are the ones who will process the request for or the sending of evidence. Much progress has already been made in specifying which elements will be used to make the appropriate request and to supply the evidence in keeping with the steps established by law. Along with the Colombian attorney general, I held very detailed talks with officials of the U.S. Attorney General's Office to specify all these elements. In Colombia, we are drafting a decree under the state of siege system to define the procedures for the presentation of evidence. Everything is moving ahead normally and I am sure that there will be no problems.

[Garzu] Does this mean that the evidence from the United States against the Ochoa brothers is expected in the next few months?

[Giraldo] Of course, and quite earlier than the deadlines established in the decrees, which stipulate 9 or 12 months depending on crimes committed inside and outside the country or crimes committed solely abroad.

[Garzu] Former Attorney General Carlos Jimenez Gomez, who is currently acting as defense lawyer for the Ochoa brothers, has said that there are no proceedings pending against them in Colombia and that no court has presented evidence against the alleged members of the Medellin cartel. Is this true?

[Giraldo] I could not tell you because all that falls under the confidentiality of the legal proceedings. Perhaps, as their defense lawyer, he could have some specific information on this. I really do not have any (?information) in this regard.

[Garzu] General Gomez Padilla, director of the National Police, recently said that the farms in which cocaine was found in Cordoba Department are owned by the Ochoa brothers. If this turns out to be true, would this be included in the proceedings against them?

[Giraldo] No, as you know, all legal decisions are based on the evidence that is provided, and mere speculation about possible actions are not grounds to make a decision against anyone. Secondly, the mere fact that you own a property does not mean that you are necessarily responsible for the crimes that may have been committed on that property. I think it is too premature to say anything and to speculate without grounds. This greatly harms the justice system. It is better to wait for the judges to undertake the investigations and to reach the necessary conclusions.

[Garzu] The Ochoa brothers have sent a letter to the public, saying that there are enemies of the process involving the surrender of drug traffickers in Colombia. Is this true? Are there really enemies of this process and if there are, who are they?

[Giraldo] I cannot say whether there are such enemies, but in the report you read to me prior to this interview, it said that some Colombian officials had said that the process to obtain evidence had been suspended. That is not true. Therefore, there are no grounds for stating that and if someone said it, he is interested in torpedoing the process. I really have no knowledge that there is someone interested in acting in the way you mentioned.

[Garzu] When the government issued the decrees to facilitate the surrender of drug traffickers, the Ochoa brothers, the main heads of the Medellin cartel, turned themselves in but there have not been any more surrenders. What is really happening?

[Giraldo] I could not say. One would have to look at the subjective motivation of each individual. I could not even guess. [passage omitted] [end recording]

Military Control Enforced in Barrancabermeja

PA0804211991 Bogota Inravision Television Cadena 1 in Spanish 1736 GMT 8 Apr 91

[text] The Barrancabermeja oil port in Santander Department has been placed under military control. The authorities are preparing for disturbances as a result of the marches announced by the people. A total of 270 persons have been arrested in several operations. The city mayor's office will decide today whether or not it will authorize a public strike.

Several violent actions have taken place in the last 72 hours in Barrancabermeja. David Nunez Salas, the public works secretary of the municipality, was murdered. The National Guerrilla Coordinating Board staged three attacks against the refinery, and the residence of the USO [Workers Trade Union] secretary general was attacked with dynamite. In addition, the USO workers have invited the people to join a public strike slated for tomorrow, Tuesday.

Meanwhile, 150 military policemen have been sent to the area, and the 5th Brigade has reinforced its units in the oil port to maintain public order in the city in view of the announcement made by the guerrillas that they will intensify terrorist actions and will attack the directors of Ecopetrol [Colombian Petroleum Enterprise] in solidarity with the USO leaders who are negotiating their list of demands. The city mayor and three of his secretaries announced that they have received death threats.

ELN Kills Civilians in El Cauca Department

PA0804204291 Bogota Inravision Television Cadena 1 in Spanish 1733 GMT 8 Apr 91

[Report by Carlos Mario Diaz]

[Text] An armed group shot 15 [number as heard] people, including three women, who were riding a bus from Popayan to Piedra Sentada, near Bolivar municipality in El Cauca Department. At this time, the authorities are heading to the area of (El Patia) to remove the bodies.

Early this morning, the bus left with 15 passengers from Popayan enroute to Piedra Sentada, in southern Cauca. In addition to making the normal trip, the driver was going to help another driver whose bus broke down yesterday just a few kilometers from its destination. When he arrived, an armed group, apparently from the ELN [Army of National Liberation], forced the driver to stop the bus.

After forcing the passengers to get off the bus, a few minutes later the group conducted a people's trial against the passengers and then executed all of them, including three women.

[Begin recording] [Piedra Sentada Inspector Rodriguez] Their names are: Alejandro Salazar, Libardo Nieves, Irene Prieto, Santiago Lasso, Hernan (Pamian), the driver Ruben Dario Joaquin Hernandez, Wilson, Adan Ruano, Alfonso (Chirito), (Lino Chirito), Henry, a woman named Pastora, Adriana Lopez, and Saul Espinosa. [end recording]

Most of the passengers were going to Piedra Sentada for the market that is held there every Monday.

Peru

Leftist Parties Want Antidrug Agreement Rejected

PY0804231891 Madrid EFE in Spanish 0029 GMT 8 Apr 91

[Text] Lima, 7 Apr (EFE)—Today some 20 leftist parties asked the Congress to reject the decision to sign an antidrug agreement with the United States because the agreement grants the United States "fundamental rights" that would harm Peruvian sovereignty.

The 24 centers for promotion and development, which are considered the spokesmen for peasant sectors and for institutions that "have expressed their rejection of the content" and "the way in which the agreement is being prepared," fear that the agreement will internationalize the Peruvian domestic conflict.

The signatories of a communique published today by Lima newspapers express their opinion that the agreement "allows the U.S. Government to intervene not only in the training of the Peruvian Armed Forces and police for the antidrug fight, but also in the antiterrorist fight."

Based on this opinion, they ask Congress to reject the decision to sign the agreement since Peruvian law gives Congress the last word before the government signs any international agreement.

On 6 April, U.S. Ambassador to Lima Anthony Quainton denied that U.S. military would come to Peru to fight drug trafficking or the guerrillas, and he added that U. S. cooperation will be exclusively in the economic field.

Quainton commented on the agreement during a visit to the Andean Province of Huancayo, 315 km southeast of Lima, and he asserted that its text clearly explains that the United States will only grant Peru economic support and that there is "absolutely" no possibility that U.S. military contigents will come to Peru "to fight these scourges (drugs and terrorism)."

The left-leaning promotion and development groups have asserted that "the agreement establishes a political association between the U.S. and Peruvian Governments."

The communique adds that the United States "directly participates in the definition and implementation of significant national policies such as short-term economic policies, structural adjustment, internal security, pacification, and the definition of the framework for the activities of the Armed Forces, the police, and the judicial branch."

President Alberto Fujimori, who is in Japan, will visit the United States next week to talk with President George Bush. They will probably discuss the agreement which was to have been signed last October.

Peru, which produces 60 percent of the world's coca, is the largest supplier of coca for making cocaine base from which cocaine is refined.

According to Peruvian economic experts, drug trafficking activities move at least $1.8 billion a year, which is more than 50 percent of Peruvian exports.

Civil Defense Chief Calls For International Aid

PY0804214291 Madrid EFE in Spanish 1954 GMT 8 Apr 91

[Text] Lima, 8 Apr (EFE)—General Manuel Pancorvo, chief of the Peruvian Civil Defense, said today that his country expects international aid for the 8,000 victims of the earthquake that hit Peru on 4 April. He added that Peru "is not prepared for this type of natural disaster." Pancorvo said that because of the economic crisis affecting Peru the Civil Defense does not have enough blankets and tents for all the quake victims. He said that 640 houses were destroyed in Moyobamba and 185 in Rioja.

According to radio reports heard in Lima today from Tarapoto, San Martin Department, local health officials have indicated that the earthquake killed 44 people. According to the report 18 people died in Nueva Cajamarca, 17 in Rioja, and nine in Moyobamba, and that 350 injured people, some of them seriously hurt, were evacuated to Lima.

The situation, however, seems to be more serious than expected because many small settlements in remote areas have been practically destroyed.

According to a report from Tarapoto, 42 houses in the Tesoro settlement collapsed and their inhabitants had to stay in the open under torrential rain. This is creating bronchial problems.

The zone affected by the 5.5 and 6.2-degree Richter scale earthquakes was in the northeastern Peruvian jungle, especially in the San Martin Department and a province of the Amazonas Department. On 29 May 1990 the same zone was hit by an earthquake that killed 100 people, and destroyed and damaged hundreds of houses.

Ernesto Deza, technical director of the Peruvian Geophysical Institute, said that last week's earthquakes and those of 1990 were caused by a geological fault located between the Andes mountains and the Amazon valley. Deza added the that quake was caused by the friction created by the Nazca plate, across the Peruvian coast, rubbing against the continental shelf which releases a great deal of energy.

Specialists have said that despite the damage caused by the earthquakes they are not a surprise because Peru is in the so-called "Pacific Fire Belt" and that it is earthquake country.

The greatest tragedy caused by an earthquake in Peru occurred on 31 May 1970 in the Ancash Department, north of the Lima Department, when 50,000 people were killed by an earthquake which registered 7.7 degrees on the Richter scale.

Cholera Cases in Lima Hospital Decreasing

PY0804233091 Lima RTP Television Network in Spanish 1800 GMT 8 Apr 91

[Excerpt] The number of cholera cases is decreasing at the Santa Rosa Hospital. Fewer cases were reported this weekend as compared to other weekends.

The number of cholera cases has decreased considerably this weekend after the new outbreak early this month. For example, the number of cholera cases in Santa Rosa Hospital has decreased considerably. From 17 cases daily during the outbreak, there are now only six or seven cases daily, according to an information provided by Dr. (Guillermo Taglabu), director of the of Santa Rosa Hospital. He also said that the health workers' strike is not affecting the medical attention in the hospital because there is sufficient staff to take care of emergencies. The hospital wards are clean despite the strike but the other hospital facilities are dirty. [passage omitted]

[Lima RTP Television Network in Spanish at 0100 GMT on 7 April broadcast details of the cholera problem noting 911 fatal cases, 48,003 hospitalized cases, and a total of 131,527 registered cases countrywide.]

Uruguay

Mercosur Includes No Regional Military Plan

PY0904033491 Madrid EFE in Spanish 0041 GMT 8 Apr 91

[By Alberto Pepe Leira]

[Text] Montevideo, 7 Apr (EFE)—Lieutenant General Guillermo de Nava, commander in chief of the Uruguayan Army, has stressed that there are no plans to unify the Armed Forces of the the member countries of the Common Market of the South (Mercosur). In remarks published today in Montevideo's press, De Nava stressed that he knows of no plan for the military unification of the Southern Cone, the promotion of which is attributed to Argentine President Carlos Menem by the Buenos Aires press.

"In this respect there is absolutely nothing at the military level," De Nava said. He reiterated his negative remark, saying, "I do not know if I have been clear."

The military aspect was one of the main concerns of the experts when the Treaty of Asuncion that created Mercosur was signed on 26 March 1991. According to the experts, it has been understood that military affairs are inherent within the integration processes, but in the case of Mercosur they have not been discussed, and the postponement of this discussion has caused doubts and fears even within the Armed Forces of Mercosur's member countries.

De Nava stated that if such an initiative should emerge, then it will have to be "at the political level, or even more so at the level of governments."

At the beginning of March some Brazilian media disseminated reports, which have now been repeated in Buenos Aires, that Menem had proposed to his Brazilian colleague, Fernando Collor de Mello, a military alliance with the other two Mercosur countries, Paraguay and Uruguay. The alleged plan had the objective of "facing possible coups d'etat," and it has been emphasized that the Brazilian Government rejected the idea.

The leftist sectors in Uruguay have issued warnings on the consequences of total military integration, although it has been considered that in the long term it will be an "irreversible" process.

In this country some ultraleftist periodicals maintain that the Mercosur agreement violates the Uruguayan Constitution because the origin of independence is based on the 1825 Declaration, which considers the annexation treaties with Brazil to be "null, void, and invalid." For the extreme left Mercosur is the "resurrection" of the Transplata Province [Provincia Cisplatina], when the Buenos Aires Government handed over the eastern province, today the Republic of Uruguay, to the Brazilian Empire.

Within Mercosur it has been the Argentina and Brazil that have been able to discuss military affairs bilaterally. In November 1985 the then presidents of Brazil, Jose Sarney, and of Argentina, Raul Alfonsin, signed a declaration in Foz de Iguacu that for the first time stressed "the theory that an armed conflict between the two countries had been definitively buried."

In May 1986 the Brazilian Aviation Enterprise and the Argentine Aeronautical Materiel Factory signed an agreement to develop a plane with advanced technology.

Argentine and Brazil have also signed two agreements on nuclear cooperation for peaceful purposes, and this has been understood as the "burial" of an eventual atomic arms race between the two largest countries in South America.

Uruguayan political and military sources have agreed that Mercosur can provide the opportunity to discuss within the zone a new defense doctrine that definitively does away with the "national security doctrine," the basis upon which all the military regimes have ruled Latin American countries during the past few decades.

Government Authorizes Direct Aeroflot Flights

PY0904020291 Madrid EFE in Spanish 1823 GMT 8 Apr 91

[Text] Montevideo, 8 Apr (EFE)—Uruguayan Foreign Minister Hector Gros Espiell has confirmed to EFE that the Uruguayan Government has authorized the Soviet airline Aeroflot to operate a regular weekly flight between Montevideo and Moscow. The Soviet company, which had authorization to overfly Uruguay on its Moscow-Buenos Aires route, can now use Montevideo's Carrasco International Airport.

Gros Espiell stated that the airline has been given a six-month deadline to begin its flights between Uruguay and the Soviet Union.

Aeroflot has had offices in Uruguay since 1985, but its passengers must be transferred to Argentina's Ezeiza Airport by third-party carriers.

With the Uruguayan Government's authorization, the Soviet enterprise will be able to offer regular and direct flights.